

DRAFT ANNUAL BUDGET OF UMNGENI MUNICIPALITY



2020/21 TO 2022/23 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative	MBRR	Municipal Budget & Reporting Regulations
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CFO	Chief Financial Officer	MFMA	Municipal Financial Management Act
CM	Municipality Manager	MIG	Municipal Infrastructure Grant
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
EE	Employment Equity	NERSA	National Electricity Regulator South Africa
EEDSM	Energy Efficiency Demand Side Management	NGO	Non-Governmental Organisations
FBS	Free basic services	NKPIs	National Key Performance Indicators
GDP	Gross Domestic Product	OHS	Occupational Health and Safety
GFS	Government Financial Statistics	OP	Operational Plan
GRAP	General Recognised Accounting Practice	PBO	Public Benefit Organisations
HR	Human Resources	PMS	Performance Management System
IDP	Integrated Development Plan	PPE	Property Plant and Equipment
IT	Information Technology		
kℓ	kilolitre	SALGA	South African Local Government Association
km	kilometre	SAPS	South African Police Service
KPA	Key Performance Area	SDBIP	Service Delivery Budget
KPI	Key Performance Indicator		
LED	Local Economic Development		
M	Mayor		
			Implementation Plan
			SMME Small Micro and Medium Enterprises



Part 1 – Annual Budget

1.1 Mayor's Report

SPEECH BY THE MAYOR OF uMNGENI MUNICIPALITY

CLLR R S SOKHELA PRESENTED TO THE MUNICIPAL COUNCIL THE 2020/2021, 2021/2022 AND 2022/2023 DRAFT ANNUAL BUDGET THROUGH A VIRTUAL MEETING,

ON FRIDAY 29th MAY 2020

Municipal budgets are aimed at capacitating municipalities to deliver services to all their residents. The Constitution of our country, the MFMA, the Municipal Systems Act, and the Property Rates Act, amongst other legislations, require of us to be participatory, responsive, transparent and accountable through our Integrated Development Plan (IDP) and that allocations in our budget must be based on the needs of our communities and for provisions of improved service delivery.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical in ensuring that the Municipality remains financially viable and that municipal services are provided in a sustainable, economically and equitable manner to all our communities across the twelve (12) Wards.

The Municipality's service delivery priorities have been reviewed as part of this year's planning and budget process. Where appropriate, funds will be transferred from low to high priority programmes so as to maintain sound financial stewardship. A critical review will be undertaken of expenditures on non-core and 'nice to have' items. Key areas where savings can and will be continued to be realized include:

- Continuing to exercise precaution in refurbishing offices, purchasing equipment,
- Encouraging staff to take time off to make up for overtime worked must also be continued,
- Raising awareness with municipal staff to save energy by ensuring that air-conditioners and lights are switched off at night and when offices are not in use,
- Continuation of monitoring of telephone usage by municipal staff which has been capped across all departments and
- Intensifying paperless approach where necessary.

The 2020/2021 draft budget before us is a culmination of prudent spending, adherence to legislation, observance to National and Provincial Treasury Guidelines and crucially it is responsive to the inputs and requests from our communities.

Budgeting in the critical time of COVID-19

Addressing the country live across all television news network stations on 15 March 2020 on measures to combat the novel Coronavirus (COVID-19), His Excellency President Cyril Ramaphosa opened his address by unequivocally stating that “the world is facing a medical emergency far graver than what we have experienced in over a century”.

He went on to state that “never before in the history of our democracy has our country been confronted with such a severe situation”.

Thousands of our countrymen and women have been infected by this virus and thousands more affected by it. More than 480 people in our country have died because of this virus.

Our countrymen and women, thanks to the leadership of President Cyril Ramaphosa and his entire Cabinet, Premiers, District Champions, Mayors and Councillors, have largely responded well to the government’s fight against the runaway spread of this virus through the various lockdown regulations amid credible fears that this virus will have lasting devastating effects on our economy and our livelihoods in general.

More than 600 000 Coronavirus tests have been conducted with more than half of these tests conducted at our public health facilities. What should be noted as well is that approximately 12 million people have been screened. In South Africa we have more than 24 000 active Covid-19 cases with just over 12 000 recoveries. All these aforementioned figures are as at the time of the drafting of this budget speech.

Our government has indeed took the fight against Coronavirus to the grass roots level over and above implementing necessary severe and unprecedented measures – including a nation-wide lockdown – to contain the spread of the virus which, in his speech on the 24th of May 2020 the President said resulted in slowing “the rate of infection and preventing our health facilities from being overwhelmed”. The President also conceded that while the lockdown has been effective, it could not have been sustained indefinitely. In time, the President said, “through our efforts, it will be possible to place areas where infections are low on levels 2 or 1.

Announcing on the 24th of May 2020 that our country will be entering the next phase of the continued fight against Coronavirus the President stated that, “it is once again your actions that will determine the fate of our nation”.

On June 1, 2020, our country will be entering alert level 3, and again the President said that “moving to alert level 3 marks a significant shift in our approach to the pandemic”.

As the Municipality we must continue to play our role of intensifying our efforts of raising awareness to our communities about the next phase of the fight against Coronavirus. We urge our communities to play their part in the fight against the virus. We appeal to all, young and old, to ensure that they observe the precautionary measures, through washing their hands regularly, staying at home if

necessary, wearing of masks when going outside, refraining from swapping masks and observing social distancing.

American socialist writer and award winning novelist Kim Stanley Robinson put it correctly when he said: “the virus is rewriting our imaginations. What felt impossible has become thinkable. We’re getting a different sense of our place in history. We know we’re entering a new world, a new era.”

As this reality is undeniably upon us, as the municipality we must continue to be more imaginative about how we conduct our business for the benefit of our communities. We must complete our tasks on the requests from our communities with vigor and faster. It is now business unusual as we are all aware that we are entering a new world, a new era.

Taking center stage in this uncharted era is the re-imagining of how the municipality with all sector departments within our jurisdiction, the law enforcement authorities, business people, farmers, farm dwellers must come together under one umbrella to improve the lives of all our people. This requires us to place at the center the livelihood of our people.

This virus has also placed into sharp focus as well the importance of ICT as an important communications tool in terms of reachability of all our community members in order to update them on the processes of the municipality at any given stage. This will have to take center stage as well in our efforts to re-imagine how our municipality must operate in this looming new era.

Municipal Responses to Covid-19

Since the start of the nationwide lockdown on 27 March 2020 under alert level 5, the municipality has been active in ensuring that its essential services such as waste management, disaster management and law enforcement continues uninterrupted. The operations largely proceeded without credible concerns from our communities.

Under alert level 4, we continued to gradually allow more municipal employees to come back to work and operations included opening up our revenue and rates section on a rotational basis as per the risk adjusted strategy.

This also saw the cleaning and the fumigating of municipal offices as per advice by the national government.

As we are headed for alert level 3, our administration will outline how the municipality will operate and this will be communicated to Councillors and the staff and to the public through the normal platforms.

Notable Covid-19 activities within uMngeni Municipality

There are a number of notable efforts worth mentioning in this speech that have been undertaken within our municipality by various organisations. Their contributions are welcomed and we highly commend them for their efforts.

- The Umngeni Relief Network – this entity ensured that they come to the rescue of many of our people through food relief while working closely with Councillors, Non-Governmental Organisations (NGOs) and Non-Profit Organisations (NPOs) in our municipal area.

More than 10 000 food parcels were distributed across all 12 wards. We would like to thank all involved in this programme and it is our wish that such initiatives should continue well after Covid-19 for the benefit of our people. We would also like to thank all donors and contributors that made it possible for the efforts of the URN to be realized.

- uMngeni JOC Team – This body facilitated many efforts that sought to streamline all activities aimed at tackling the fight against the Coronavirus within our municipality head on. All participants of the JOC did well and their contributions are invaluable. The members of the JOC are made of the municipal leadership, municipal officials, sector departments, law enforcement, farmers and NGOs.
- The Midlands Food Bank – This is another food relief effort undertaken by donors, contributors and volunteers. It is worth mentioning that their efforts ensured that some of our people received much needed food relief while our government tackled Covid-19 head-on.
- Dural Ihsam Humanitarian Centre – This NGO also assisted a great deal with food relief in various areas within the municipality. Their contributions also did not go unnoticed and as the municipality we commend their efforts.
- uMngeni Traffic Department – It is essential to ensure that the efforts of our traffic officers must not go unnoticed. These men and women have patrolled, responded and acted where transgressions to the lockdown regulations occurred. In turn this resulted in much needed revenue for the municipality.
- Waste Management Unit – Under alert level 5 and 4 our waste management unit again rose to the occasion and performed outstandingly. The unit's personnel collected waste every single day in the evening from 18h00 in residential areas resulting in them clocking off well after 22h00. This team classified as essential services also worked on public holidays during the nationwide lockdown.

Also the unit efficiently manned the Curry's Post Landfill Site through a well-organized system that required permits in alert level 5 which was gradually eased in alert level 4. Private waste management contractors and farmers were able to dispose of refuse without hassles or verifiable complaints.

- Electricity Unit – Also this unit ensured that major electricity faults were attended to after hours while minor faults were dealt with during normal working hours. There were no verifiable complaints as well about the adeptness of this unit in dealing with electricity faults.

- Disaster Unit – Working closely with the uMgungundlovu District Municipality's disaster unit, our own section facilitated loud-hailing activities about the importance of adhering to the lockdown regulations as well as alerting the public of upcoming activities such as screenings by the Department of Health.
- Control Room Personnel – This 24-hour service has also been diligent in its operations without any credible complaints. The personnel ensured that assistance, complaints and requests from the members of the community were patched through to the relevant units for implementation.

As the Mayor, with the blessing of the Council, I will, after Covid-19 has subsided, look at the possibility of hosting a Mayoral Civic Reception to express the municipality's token of appreciation to the many individuals that assisted during these trying times faced by our country, the whole continent of Africa and the globe.

This Civic Reception will look at those who played impactful roles that benefited our public. We will have various benchmarks on who will receive accolades and we will include all 12 wards.

2020/2021 Budget Highlights

In the draft budget being tabled in this house today, the total operating income budget is R447. 667, 542 million and the total operating expenditure is estimated at R447. 577, 704 million with the surplus projected at R89 838.

The allocation for repairs and maintenance totals R22.7 million, of which R7.5 million has been set aside for roads and storm-water unit for the implementation of repairs and maintenance of our roads.

Salaries compared to the current financial year ending on June 30, 2020 has been increased by 6.25% as per Treasury Guidelines with the inflation of 4.6%. It is imperative to outline as well that the salary increment is within the Treasury norm of less than 40% and the 2020/2021 salary bill has been increased to 30.1% from 29% in the 2019/2020 financial year .By the same token the salaries for Councillors has been allocated a budget of R9.9 million.

Other notable budget highlights include electricity bulk purchases which has been capped at 6.9% resulting in an allocation of R120.9 million, the rate randage at 1.65%, while the property rates projected income has been set at R216. 8 million (which will contribute 48% of total income for the municipality)

Service charges (electricity) are set at R106. 2 million while operating grants coming to us as the municipality are an amount of R90 million.

It is important to note as well that the total allocation for Municipal Infrastructure Grant (MIG) for the 2020/2021 financial year is R22. 9 million.

Notably as well are the internal reserves for purchasing of municipal furniture and equipment as well as other tools of trade such as computers and laptops set at R7.2 million and the allocation for INEP in the 2020/2021 financial being confirmed at R8 million.

Local Economic Development

The SMMEs unit has been allocated an amount of R400 000, while the Informal Traders unit has been allocated an amount of R618 400 up from R400 000 from the 2019/2020 financial year, these two units are important for the development of our informal economy.

The Agriculture unit has also been allocated an amount of R206 900 up from R150 000 in the current financial year.

An amount of R206 000 has been set aside for the Tourism unit and a further amount of R376 560 has been set aside for the community tourism organization (CTOs).

The LED department is important in our efforts as uMngeni Municipality to fight the triple challenges of poverty, unemployment and inequality, which have been exacerbated by COVID-19. The “new normal” brought by the virus which will definitely herald a new era the world over forces us to put more budget in these aforementioned unit, because we have to be financially prudent and also ensure that our budget is spread out across all the units, we must begin in earnest with applying for more funding in the higher two spheres of government for this department.

Upgrade of Howick Falls Precinct

During the budget steering committee meetings we emphasized the urgency of resuscitating one of our vital tourism sites, the Howick Falls Precinct. A revised expression of interest for the upgrade of the gorge walk is being prepared by our Local Economic Development and Planning Unit and it should be out before the end of this current financial year, ending on June 30. It was resolved after consultations and discussions that the Municipality must look at attracting well-resourced and highly experienced interested service providers to assist in the revitalization of the gorge walk and the overall precinct.

Erection of steel structure at the top of the water fall

Councillors and the public will recall that many efforts have been undertaken to discourage the Shiyabazali Informal Settlement occupants from washing their clothes and general laundry at the top of the waterfall as it is highly unsafe and it presents an unfavourable picture to our visitors at the site.

It was stressed during the various budget meetings that the municipality must, in the pending financial year, through its budget set aside for repairs and maintenance for municipal properties attached to the Corporate Services Department look at erecting the steel structure.

Security camera for the Howick Falls Precinct

As part of ongoing efforts through our Traffic Department in partnership with the SAPS, the municipality, will in the forthcoming financial year install a wide viewing camera at the Howick Falls Precinct to help in the fight of loitering, lawlessness and prevent muggings of our people and visitors at the precinct.

Other planned Local Economic Development and Planning for 2020/2021

Local Economic Development

- Development of the LED Strategy
- SMME incubation centre –the feasibility study has been undertaken.

Planning

- Signage section – procuring of a vehicle for the section to undertake the patrolling and removal illegal signage.

Environmental

- The municipality must undertake a strategic environmental assessment strategy. This must be done in the coming financial year as it is imperative for legislative compliance.

Building Inspectorate

- Digitizing of all municipal building plans.

Mpophomeni Informal Traders' Facility

- R800 000 is required for this vital informal economic activity in one of our densely populated areas. Funds for this facility must be sought from relevant sector departments such as the Department of Economic Development, Tourism and Environmental Affairs and the project must be completed in the 2020/2021 financial year.

Infrastructure

I once again reiterate that an important way of addressing our country's growth prospects is to inject more funding into infrastructure projects.

Infrastructure is and will remain a critical factor in the health and wealth of a country, enabling private businesses and individuals to produce goods and services more efficiently. The lessons from COVID-19 are that our efforts as enshrined in our IDP which in turn must find resonance in our budget must be people-centric. We must speedily undertake the needs of our communities as they, as demonstrated under this trying time, alleviate the challenges that our people face on a daily basis even without the threat of a deadly virus such as the Coronavirus.

Infrastructural Achievements

Electricity project officially unveiled in 2019/2020 financial year

I led the official switched on of 379 connections on households that received electricity for the first time in their lives in the 2019/2020 financial year.

The breakdown of the completed electricity projects is as follows:

- Hawkstone Farm (Ward 6) = **10** connections
- Emashingeni (Ward 8 & 9) = **131** connections
- KwaHaza (Ward 8 & 9) = **170** connections
- Boytoff Farm (Ward 9) = **19** connections (phase II)
- Ekuthuleni & Brumhurst Farm (Ward 4) = **4** connections
- Mulberry, Dirt & Papertree Farms (Ward 4) = **7** connections
- Seslie Farm (Ward 9) = **1** connection
- Sherbourne (ward 4) = **3** connections
- Lidgetton (ward 4) = **9** connections
- Infills (Ward 9) Nguga = **25** connections

Other completed electricity projects in 2019/2020

- **Area:** Ward 08 & Ward 09 (Emashingeni)
Number of connections: 130
- **Area:** Ward 08 & Ward 09 (KwaHaza)
Number of connections: 170
- **Area:** Ward 03 & Ward 09
Number of connections: 20 completed however there were challenges in implementing connections in areas where farm owners did not grant permission for electricity installation. These included Esiphethwini Sendiza and Riverlee Farm.
- **Mpophomeni Infills**
Area: Ward 08 & Ward 09
Number of connections: 50

New electricity projects for the 2020/2021 financial year

- **Area:** Nottingham Road Farms Electrification- Ward 3
Number of connections: 60
- **Area:** St Joseph's Electrification- Ward 6
Number of connections: 80 (implementation of the connections is dependent on the construction of the houses)
- **Area:** Khayelisha Electrification - Ward 7
Number of connections: 500 (implementation of the connections is dependent on the construction of the houses)
- **Area:** Khanya Village Phase 3 electrification- Ward 7
Number of connections: 200 (implementation of the connections is dependent on the construction of the houses)
- **Area:** Mpophomeni Bulk-
Number of connections: 1
- **Area:** Mpophomeni and surrounding Infills- Ward 8, 9, 10 and 11
Number of connections: 200
- **Area:** Lion's River Electrification- Ward 9
- **Number of connections :** 500 (implementation of the connections is dependent on the construction of the houses)
- **Area:** KwaHaza Infills- Ward 9
Number of connections: 100
- **Areas:** uMngeni Informal Settlements: Non-Grid
Number of connections: 2104

Infrastructure projects highlights

The projects that have been completed in the 2019/2020 financial year are as follows:

- Road name: Chris Hani Road (Ward 1)
Area: Sphumelele Township
Cost - R3 133 093.93 million

- Road name: Nxumalo Road (Ward 6)
Area: Emandleni Village

Cost - R3 133 093.93 million (this amount includes the construction of Chris Hani, Nxumalo Road (in Emandleni) and Mnquhe Road (in Tumbleweed) also these two roads have been completed.

- Road name: B2 Intersection (Ward 7)
Cost: the original cost estimate was R1 964 316.00 million, after the engineer's cost the actual project value is now R2. 200 000 million

- Shayamoya Road (Ward 10)
Area: Mpophomeni Township
Cost – R2 587 412.03 million

- Mnquhe Road (Ward 12)
Cost - R3 133 093.93 million (this amount includes the construction of Chris Hani, Nxumalo Road (in Emandleni) and Mnquhe Road (in Tumbleweed))

Ongoing projects:

Just before the alert level 5 lockdown commenced, I undertook an IDP and Budget feedback roadshow in keeping with the regulations of social distancing and capped number of people per gathering.

During the feedback IDP meetings we also conducted sod-turnings for the projects that were expected to be completed by the end of the current financial year.

The following is what we outlined to communities:-

- **Road name: School Road (Ward 3)**

Status update: The contractor was introduced in March 2019 and the project was expected to be completed by June 2019, however the contractor failed to do the work. The new contractor was expected to complete the work by June 2020.

Cost - R3 150 840.00 million

- **Road name: Sweet Value Street (Ward 4)**

Status update: The contractor was introduced in March 2019 and the project was expected to be completed by June 2019, however the contractor failed to do the work. The new contractor was expected to complete the work by June 2020.

Cost - R3 150 840.00 million (this amount includes the construction of School Road (in Zenzani Village), Sweet Value Street (in Lidgetton) and Mthembu and Ndlovu Streets (in Lion's River). The costs will still be within the registered amount with the Municipal Infrastructural Grant (MIG). The reconfigured costs for the completion of these roads increased to R3 596 000.00 million.

- **Mare Street Walkway (Ward 5)**

Status update: This project has been budgeted for the in 2019/2020 financial year and it is expected to be completed by end of June 2020.

Cost: R500 000

- **Curry's Post Cemetery & Toilets (Ward 5)**

Status update: The project has been budgeted for in the 2019/2020 financial year

Cost – the original cost estimate was R 2 000 000. 00 million, after the engineer's cost the actual project value is now R2 790 726. 62 million.

- **Emandleni Community Hall (Ward 6)**

Status update: The budget for this was allocated in the 2019/2020 financial year.

Cost: the original cost estimate was R4 000 000. 00 million, after the engineer's cost the actual project value is now R6 101 675. 00 million.

- **Khanya Village Community Hall (Ward 7)**

Status update: The sod turning on the project has been done.

Cost: the original cost estimate was R5 000 000.00 million, after the engineer's cost the actual project value is now R6 638 858. 68 million.

- **Mpophomeni Stadium rehabilitation (Ward 8)**

Status update: The project has been budgeted for in the 2019/2020 financial year. The supply chain management tender processes are ongoing and the project is set to commence after the processes have been completed. The sod turning is still expected to be conducted.

Cost: R11 000 000 million (estimation)

- **Lion's River Community Hall (Ward 9)**

Cost: R4 238 567.05 million

Status update: The project is expected to be completed before the end of June 2020.

- **Road name: Mthembu and Ndlovu Streets (Ward 9)**

Status update: The contractor was introduced in March 2019 and the project was expected to be completed by June 2019, however the contractor failed to do the work. The new contractor was expected to complete the work by June 2020.

Cost - R3 150 840.00 million (this amount includes the construction of School Road (in Zenzani Village), Sweet Value Street (in Lidgetton) and Mthembu and Ndlovu Streets (in Lion's River). The costs will still be within the registered amount with the Municipal Infrastructural Grant (MIG). The reconfigured costs for the completion of these roads increased to R3 596 000.00 million.

- **Ekuthuleni Road (Ward 10)**

Status update: Sod turning has been undertaken on the project.

Cost – the original cost estimate was R3 000 000 million, after the engineer's cost the actual project value is now R3 897 117. 95 million.

- **Multi-purpose centre (Ward 11)**

Status update: This project has been budgeted for in the 2019/2020 financial year.

The sod turning on the project has been done.

Cost: the original cost estimate was R4 137 050. 00 million, after the engineer's cost the actual project value is now R6 925 259.29 million.

New Projects 2020/2021 financial year (MIG funded)

During the IDP feedback meetings we also outlined that in the next financial year the following projects will be undertaken under MIG funding.

- **Road name: Joe Sithole Road (Ward 3)**

Status update: The road has been budgeted for in the 2020/2021 financial year. This road is imperative for the next financial year as it is a compliance matter for EIA for Fordoun Development.

Cost: R3 500 000 million (estimate)

- **Road name: Field Road (Ward 3)**

Status update: The road has been budgeted for in the 2020/2021 financial year

Cost R3 000 000 million (estimate)

- **Gamaletu Community Hall (Ward 4)**

Cost: R5 500 000 million (estimate)

Status update: The project has been budgeted for in the 2020/2021 financial year

- **Emashingeni Community Hall (Ward 8)**

Status update: This project has been budgeted for in the 2020/2021 financial year. The community hall will have to be reconstructed in a new area within Emashingeni.

Cost: R5 000 000 million (estimate)

- **6th & 10th Streets (Ward 9)**

Area: Japan Section (Mpophomeni)

Status update: This project has been budgeted for the in 2020/2021 financial year

Cost: R2 000 000 million (estimate)

- **Fuze Road (Ward 12)**

Status update: This project has been budgeted for in the 2020/2021 financial year.

Cost – R2 500 000 million (estimate)

Councillors will recall that the above mentioned projects were requested by communities and subsequently included in our IDP as priority projects for these wards.

Land

We need land for Ward 5 and 6. For this important activity an amount of R4 million has been set aside. It is imperative that people across all our 12 wards must enjoy the fruits of our democracy. With this land we will be able to ensure that people in farm communities in the Karkloof areas have necessary amenities such as a community hall and sports facilities.

High mast for Shiyabazali Informal Settlement

We have set aside an amount of R1 000 000 million for the installation of a high mast at the Shiyabazali Informal Settlement. This is vital for the informal settlement area and it will add to the ongoing efforts to ensure that the area improves on its safety.

Pothole Repairs

The Municipality is again committed in repairing potholes. This remains a challenge that we must overcome. In a month we pursue repairing 500 square metres and in a quarter we strive to repair 2500 square metres. The repairing of potholes is undertaken by our internal staff and through service providers.

Conclusion

Before I conclude and handover to the Acting CFO to outline some of the pertinent matters in the budget, allow me to outline one more important budget item relating to the coming financial year.

Municipal Covid-19 budget allocation

An amount of R1.1 million has been set aside for us as the Municipality to assist our communities where we can in the fight against the Coronavirus.

In his speech on May 24, 2020 the President said that "As scientists had predicted, the infections in our country have now started to rise sharply...And we should expect that these numbers will rise even further and even faster". With that being said our Municipality should and must look into its coffers and allocate funding for possible eventualities as this virus is going to be with us for the unforeseeable future.

Any activity taken under this allocation will follow the normal processes of approvals and endorsements and Councillors and their Ward Committee members will be updated on its expenditure so as to provide necessary updates to their communities.

Covid-19 support for Small Businesses, Tuck-shops and Informal Traders:

Our Local Economic Development Department, has also commenced a processes of assisting small businesses, tuck shops and informal traders with precautionary necessities to protect themselves

against the Coronavirus. These necessities include PPEs, sanitizers, masks and where possible fumigation of their trading establishments and spaces.

A detail plan on how this will be undertaken will be communicated through relevant platforms for accessibility by the targeted beneficiaries and for Councillors to be fully aware and play their oversight role when reports are tabled to the relevant accountability committees of Council.

Covid-19 support for ratepayers

It is undeniable that some of our ratepayers have been affected as much as some businesses have been affected by the Covid-19. Unfortunately some of our ratepayers had to forgo their income during the stringent Covid-19 measures. This meant that some of them did not receive an income or only received a portion of it during this period.

As the municipality we have solicited advice from the relevant departments, the Department of Cooperative Governance and Traditional Affairs, SALGA and the Treasury Department on how municipalities must approach this reality and as soon as we receive written correspondences in this regard we will communicate through Councillors and on our social media platforms for the steps that ratepayers and businesses must embark on.

Waving of interest on municipal bills for the months of March and April

There are thousands of our ratepayers who have not received their municipal bills for the months of March and April that we mail to them through the South African Post Office and thus were unable to honour their payments.

We have looked at this issue in detail as normally unpaid municipal bills would accrue interest. Given the challenges of Covid-19 the municipality is proposing that the interest be not charged to those ratepayers who did not receive their municipal bills through emails and MMS. This means we are proposing that an amount of R1 854 729 million be registered as interest forgone. This, we are proposing as well, must be done in line with the relevant municipal policies.

It must be stressed however that for the month of May we will charge interest in circumstances where ratepayers delay to make payments as our finance section has been operational since alert level 4 for ratepayers to make enquiries, either by visiting the municipal offices or contacting us telephonically or via emails, about their municipal bills. Some ratepayers who receive municipal bills via the post have contacted the municipality and have been assisted.

In conclusion we have holistically looked at the entire municipality when we drafted this budget. We were practical in our draft, however this budget will still go to our communities for their inputs before it is adopted.

We looked at all challenges which guided us on our approach and we also looked at the needs of our communities as encapsulated in Integrated Development Plan (IDP), which was passed for public inputs by Council on May 18, 2020. During the same Council meeting we adopted for public input as well the Mpophomeni Nodal Plan.

With that being said allow me to commend the work done by the Budget Steering Committee for their work in the drafting of this budget. The contributions of the committee members were well worthwhile and contributed immensely in the finalization of this budget.

By the same token I wish to stress to our administration through senior management that they must speedily implement the needs of our communities. It is important that our administration does what is expected of them and within the finances provided in this budget. Moreover they must discharge their duties in an open and transparent manner that is within the parameters of the guiding legislations.

To all honourable Councillors now more than ever is the time for us to work in a united style so that we exercise our oversight role more efficiently and safeguard the delivery of services and the implementation of the needs of our people.

As we cannot host IDP and Budget Izimbizo to solicit legislated public inputs, our communities are encouraged to email their IDP and the Mpophomeni Nodal Plan inputs to Manager: IDP and PMS, Mr Sandile Makhaye at sandile.makhaye@umnjeni.gov.za.

For the budget inputs our communities are encouraged to email the Acting CFO Ms Thembi Khumalo at thembi.khumalo@umnjeni.gov.za and/or Manager: Budget, Ms Baneli Msomi at baneli.msomi@umnjeni.gov.za.

The public can obtain and view the IDP, Budget and the Mpophomeni Nodal Plan documents on our municipal website www.umnjeni.gov.za.

Alternatively they can request the above mentioned documents to be sent to them via WhatsApp on 066 488 1953 or use the same WhatsApp number to submit their inputs for forwarding to the above mentioned officials. Please note that this number does not receive calls as it is only for communities to send their inputs or request the above mentioned three documents to be sent to them.

Allow me to close off by encouraging all our communities to stay safe during this difficult period.

- We must wash our hands regularly for at least 20 seconds or sanitize regularly.
- We must wear our masks and we must not swap them for use by other people as this is unhygienic.
- We must observe social distancing.
- We must protect and defend each other from the virus.

Lastly I am confident that together we can beat this virus.

I thank you

1.2 Council Resolutions

On 29th May 2020 the Council of UMngeni Municipality Local Municipality met virtually to table the draft budget of the municipality for the financial year 2020/21. The Council approved and adopted the following resolutions:

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the draft annual budget of uMngeni Municipality for the financial year 2020/2021 and indicative allocations for the two projected outer years 2021/2022 and 2022/2023, and the multi-year and single year capital appropriations are approved as set out in the following tables:

1.1 Budgeted Financial Performance (revenue & expenditure by standard classification) as per

1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote)

1.3 Budgeted Financial Performance (revenue by source and expenditure by type)

1.4 Multiple Year and single year capital appropriations by municipal vote and standard classification and associated funding by source

2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables

2.1 Budgeted Financial Position

2.2 Budgeted Cash Flows

2.3 Cash backed reserves and accumulated surplus reconciliation

2.4 Asset Management

2.5 Basic service delivery measurement

3. In terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the draft tariffs for the supply of electricity, refuse removal and all other tariffs as set out in Other Supporting Documents be approved.

4. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the draft rates policy be approved

5. That in terms of section 14 of the Municipal Property Rates Act, 6 of 2004 the draft rate randage and conditions as set out in Other Supporting Documents be approved.

6. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003 the various draft budget-related policies be approved.

7. That in terms of section 24(2)(c)(ii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for the draft capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework be approved.

8. That the Basic Services Package of Electricity and Refuse Removal as set out in the Draft Tariff Policy be approved.

9. That the salaries, wages and allowances of all employees must be increased as per Salga Salary and Wage Collective Agreement.

10. Councillors Remuneration be approved in accordance with the gazette on the Remuneration of Public Officer Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published on 21 December 2015 by the Department of Cooperative Governance.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the uMngeni Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities are reviewed as part of this year's planning and budget process. Where appropriate, funds will be transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review will be undertaken of expenditures on non-core and 'nice to have' items. Key areas where savings can be realized will be on telephone and internet usage, printing, workshops, travel, accommodation, and catering.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circular No. 99 was used to guide the compilation of the 2020/21 MTREF.

The main challenges experienced during the compilation of the 2020/21 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy – Covid 19,
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity is placing an upward pressure on service tariffs to residents, which is due to current economic circumstances, this may lead to a point where services will no-longer be affordable;
- Wage increases for municipal staff of 6.25 % that continue to exceed consumer inflation of 4.6 %, as well as the need to fill critical vacancies;

The following budget principles and guidelines directly inform the compilation of the 2020/21 MTREF:

- The 2019/2020 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2020/21 annual budget;
- Intermediate service level standards will be used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

Fiscal constraints mean that transfers to municipalities will grow more slowly in the period ahead than they have in the past. Accordingly, municipalities must renew their focus on core service delivery functions and reduce costs without adversely affecting basic services. Furthermore they must ensure that efficiency gains, eradication of non-priority spending (cost containment measures and the reprioritisation of expenditure relating to core infrastructure continue to inform the planning framework.

The state of the economy has an adverse effect on the consumers. As a result municipalities' revenues and cash flows are expected to remain under pressure.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2020/21 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2020/21 MTREF

Details	Adjustment Budget 2019/2020	Budget Year 2020/2021	Budget Year 2021/2022	Budget Year 2022/2023
Total Operating Revenue	423,278,998	447,667,542	470,637,701	500,954,615
Total Operating Expenditure	423,089,266	447,577,704	470,340,672	500,630,697
Surplus/(deficit) for the year	189,732	89,838	297,029	323,918
Total Capital Expenditure	42,231,272	29,024,378	31,788,992	33,334,959

Total operating revenue has increased by 6 per cent or R24, 388 million for the 2020/2021 financial year when compared to the 2019/2020 Adjustments Budget. For the two outer years, operational revenue will increase by R 22,970 million and increase by R 30,316 million respectively.

Total operating expenditure for the 2020/2021 financial year has been appropriated at R 447,5 million and translates into a budgeted surplus of R 89 thousand. When compared to the 2019/20 Adjustments Budget, operational expenditure has increased by R 24,488 million or 6 per cent in the 2020/2021 budget and decreases to 5,0 per cent and increases to 6 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years is R 297 thousand and R323 thousand respectively. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R29, 024 million for 2020/2021 is 31 per cent less when compared to the 2019/2020 Adjustment Budget, the huge decrease is due to the fact that in the last financial year there was an allocation of R11 million for the stadium, this was allocated for 2019/2020, hence there is such a decrease in the year under consideration.

1.4 Operating Revenue Framework

For uMngeni Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines (MFMA Budget Circular 99) and macroeconomic policy;
- Electricity tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to electricity;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2020/2021 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

KZN222 uMngeni - Table A4 Budgeted Financial Performance (revenue and expenditure)

Table A: Budgeted financial performance (revenue and expenditure)											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	162,511	176,700	190,156	206,376	207,359	207,359	170,856	216,897	226,875	237,311
Service charges - electricity revenue	2	61,887	63,056	66,739	101,005	100,060	100,060	65,223	106,251	111,763	121,616
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	6,273	6,717	7,202	6,472	6,898	6,898	6,321	7,215	7,547	7,894
Rental of facilities and equipment		757	704	1,078	1,074	1,151	1,151	967	1,204	1,260	1,318
Interest earned - external investments		2,234	1,868	2,267	1,692	2,105	2,105	2,070	2,202	2,303	2,409
Interest earned - outstanding debtors		1,942	8,598	10,917	9,962	10,962	10,962	6,449	11,467	11,994	12,546
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		62,236	2,461	870	468	22	22	1,821	23	24	26
Licences and permits		3,495	3,612	3,523	4,858	4,864	4,864	2,788	5,087	5,321	5,566
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		61,197	66,775	75,231	82,864	82,932	82,932	70,904	90,075	95,971	104,342
Other revenue	2	5,741	5,171	4,146	4,955	6,927	6,927	2,725	7,245	7,578	7,927
Gains		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		368,274	334,652	362,130	418,526	423,279	423,279	330,123	447,668	478,638	508,955

Table 3 Percentage apportionment in revenue by main revenue source

Description	Adjustments Budget Year 2019/2020	Budget Year 2020/2021	%	Budget Year 2021/2022	%	Budget Year 2022/2023
Revenue By Source						
Property rates	207,358,861	216,897,370.00	48%	226,874,648.00	48%	237,310,882.00
Service charges - electricity revenue	100,059,537	106,250,884.00	24%	111,763,395.00	24%	121,616,368.00
Service charges - refuse revenue	6,897,728	7,215,024.00	2%	7,546,915.00	2%	7,894,073.00
Rental of facilities and equipment	1,151,256	1,204,213.00	0%	1,259,608.00	0%	1,317,550.00
Interest earned - external investments	2,105,243	2,202,084.00	0%	2,303,379.00	0%	2,409,335.00
Interest on outstanding debtors	10,962,375	11,466,644.00	3%	11,994,110.00	3%	12,545,839.00
Fines, Penalties and Forfeits	22,368	23,397.00	0%	24,473.00	0%	25,599.00
Licences and permits	4,863,542	5,087,264.00	1%	5,321,279.00	1%	5,566,058.00
Transfers recognised - operational	82,931,504	90,075,450.00	20%	95,971,400.00	20%	104,341,800.00
Other revenue	6,926,584	7,245,212.00	2%	7,578,494.00	2%	7,927,111.00
NET OPERATING INCOME	423,278,998.00	447,667,542.00	100%	470,637,701.00	100%	500,954,615.00

Revenue generated from rates and service charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2019/2020 financial year (adjusted budget), revenue from rates and services charges totalled R 207, 3 million. This increases to R 216, 8 million, R 226, 8 million and R 237, 3 million in the respective financial years of the MTREF. This growth can be mainly attributed to the supplementary valuation rolls and the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs, for bulk electricity. Details in this regard are contained in Table 52 MBRR SA1 (see page 116).

Property rates are the largest revenue source totalling 48 per cent or R216,8 million rand and increases to R226,8 million by 2021/2022. The second largest source is user charges for services which consists of sale of electricity and refuse removal charges. Operating Grants & Subsidies are the third largest revenue source totalling 19 per cent in 2019/2020 and is kept to 20 per cent in 2021/2022. Departments have been urged to review the tariffs of items like building plan fees, connection fees, advertisements and permits and licenses on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R 90, million in the 2020/2021 financial year and steadily increases to R95,9 million by 2021/2022. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

KZN222 uMngeni - Supporting Table SA18 Transfers and grant receipts

30

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 4,6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circulars No. 98 and 99 deals, inter alia, with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R105 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 30 per cent rebate will be granted on all residential properties;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 60 per cent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not exceed R11500 per month. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;

- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Council in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2020/2021 financial year based on the proposed rate randage of 1,65 cents in the Rand from 1 July 2020 is contained below:

Table 5 Comparison of proposed rates to be levied for the 2020/2021 financial year

Category	Category	Current Tariff (1 July 2019)	Proposed Tariff (1 July 2020)	Proposed Rebates (from 1 July 2020)
		C	C	%
Residential	1	1.58c/R	1.65c/R	30%
Industrial	2	1.58c/R	1.65c/R	0%
Business & Commercial	3	1.58c/R	1.65c/R	0%
Rural- Agriculture	4	1.58c/R	1.65c/R	82.5%
Rural – Commercial	5	1.58c/R	1.65c/R	30%
Rural-Residential	6	1.58c/R	1.65c/R	30%
State Owned Properties	7	1.58c/R	1.65c/R	30%
Municipal Properties	8	1.58c/R	1.65c/R	100%
Public Service Infrastructure (Roads)	9	1.58c/R	1.65c/R	As per the new MPRA act
Public Service Infrastructure (Other)	9.1	1.58c/R	1.65c/R	As per the new MPRA act
Informal Settlements	10	1.58c/R	1.65c/R	30%
Mining & Quarries	11	1.58c/R	1.65c/R	20%
Vacant Land	12	1.58c/R	1.65c/R	0%
Protected Areas	13	1.58c/R	1.65c/R	100%
Multi-Purpose	14	1.58c/R	1.65c/R	0%
Public Benefit Organisation	15	1.58c/R	1.65c/R	82.5%
Place of Worship	16	1.58c/R	1.65c/R	100%
Education	17	1.58c/R	1.65c/R	82.5%
Bulk Development Land	18	1.58c/R	1.65c/R	40%
Common Property	19	1.58c/R	1.65c/R	0%

All category of properties are using one randage however the municipality had rebate structure which details how each property will be rated. The Municipality will have nine categories with each given the different randage on the upcoming General Valuation Roll.

1.4.2 Sale of Electricity and Impact of Tariff Increases

In terms of the Multi Year Price Determination (MYPD) for Eskom's tariffs approved by the National Energy Regulator of South Africa (Nersa), a tariff increase of 6.22 per cent has been approved for the 2020/2021 financial year.

Registered indigents will again be granted 100 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

Table 6 Comparison between current electricity charges and increases (Domestic)

Monthly Consumption kWh	Current Tariffs Payable	Proposed Tariffs Payable	Percentage Increase Increase
1-50 kWh	103c/kWh	109c/kWh	6.22 %
51-350 kWh	132c/kWh	140c/kWh	6.22%
351-600 kWh	179c/kWh	190c/kWh	6.22%
601kWh and above	211c/kWh	224c/kWh	6.22%

During his budget speech on 13 February 2020, the Minister of Finance announced that electricity levy will be increased by 2 cents per kWh. A special municipal circular will be issued in due course to guide municipalities on the implementation of the 2 cents per kWh electricity level. In the interim municipalities are advised to use the guideline issued by NERSA to set their tariffs for the 2020/21 financial year.

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2020. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). This Municipality has already implemented the stepped tariff structure from 1 July 2019 and will continue with this practice in 2020/2021.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the result tariff increases would be unaffordable for the consumers.

1.4.3 Waste Removal and Impact of Tariff Increases

A 4.6 per cent increase in the waste removal tariff is proposed from 1 July 2020. The Municipality is anticipating to operate on a surplus on waste service charges. Any increase higher than 4.6 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2020:

Table 7 Comparison between current waste removal fees and increases

Type of Consumer	Description	Current Tariffs	Proposed Tariffs
		2019/2020	2020/2021
Domestic Consumers	Consumers /Ratepayers with total market value per property up to R200 000	Free	Free
Commercial / Consumers	Consumer/Ratepayers with property values in excess of R200 000	R 72.06 per month	R 75.37 per month
	One Collection per week per 120 litre bin	R 134.54 per month	R 140.73 per month
	One Collection per week per 120 litre bin	R 119.60 per month	R 125.10 per month
Government	One Collection per week per 120 litre bin		

1.4.4 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 4.6 to 7 percent, with the increase for indigent households closer to 4.6 per cent. Electricity increases however impacts on the total household bill.

Table 8 MBRR Table SA14 – Household bills

KZN222 uMngeni - Supporting Table SA14 Household bills

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % Incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		5,422.90	5,746.27	6,093.17	6,093.17	6,093.17	0.05	4.8%	6,373.46	6,666.63	6,973.30
Electricity: Basic levy		84.27	89.66	94.50	94.50	94.50	0.13	4.6%	98.85	103.39	108.15
Electricity: Consumption		905.00	860.66	901.62	901.62	901.62	0.13	4.6%	943.09	986.48	1,031.85
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		45.40	45.37	50.98	50.98	50.98	0.05	4.6%	53.33	55.78	58.34
Other		-	-	-	-	-	-	-	-	-	-
sub-total		6,457.57	6,743.98	7,140.27	7,140.27	7,140.27	0.37	4.6%	7,468.72	7,812.28	8,171.85
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total large household bill:		6,457.57	6,743.98	7,140.27	7,140.27	7,140.27	0.37	4.6%	7,468.72	7,812.28	8,171.85
% increase/decrease			4.4%	5.9%	-	-	(100.0%)	4.6%	4.6%	4.6%	4.6%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		5,812.00	7,027.29	3,802.01	3,802.01	3,802.01	0.05	399,971.5%	3,976.90	4,159.84	4,351.19
Electricity: Basic levy		91.36	109.69	94.50	94.50	94.50	0.13	9,941.4%	98.85	103.39	108.15
Electricity: Consumption		986.37	1,184.17	436.01	436.01	436.01	0.13	45,868.3%	456.07	477.05	498.89
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		50.45	57.53	52.55	52.55	52.55	0.05	5,528.3%	54.97	57.50	60.14
Other		-	-	-	-	-	-	-	-	-	-
sub-total		6,940.18	8,378.68	4,385.07	4,385.07	4,385.07	0.37	4.6%	4,586.78	4,797.78	5,018.47
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total small household bill:		6,940.18	8,378.68	4,385.07	4,385.07	4,385.07	0.37	4.6%	4,586.78	4,797.78	5,018.47
% increase/decrease			20.7%	(47.7%)	-	-	(100.0%)	4.6%	4.6%	4.6%	4.6%
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		3,900.65	3,586.80	3,802.01	3,802.01	3,802.01	0.05	5.2%	4,215.70	4,447.56	4,665,493.12
Electricity: Basic levy		84.27	90.23	94.50	94.50	94.50	0.13	13.1%	104.78	110.55	115,962.11
Electricity: Consumption		379.00	397.95	436.01	436.01	436.01	0.13	13.1%	483.45	510.04	535,033.22
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		45.40	47.67	52.55	52.55	52.55	0.05	5.2%	56.27	61.47	64,484.75
Other		-	-	-	-	-	-	-	-	-	-
sub-total		4,409.32	4,122.65	4,385.07	4,385.07	4,385.07	0.37	10.9%	4,862.20	5,129.62	5,380,973.20
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total small household bill:		4,409.32	4,122.65	4,385.07	4,385.07	4,385.07	0.37	10.9%	4,862.20	5,129.62	5,380,973.20
% increase/decrease			(6.9%)	6.4%	-	-	(100.0%)	10.9%	10.9%	5.5%	(99.9%)

Operating Expenditure Framework

The Municipality's expenditure framework for the 2020/2021 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

Less :Expenditure By Type						
Employee related costs	123,225,548.00	134,398,950.00	30%	143,405,174.00	30%	153,102,116.00
Remuneration of councillors	9,495,382.00	9,932,270.00	2%	10,389,049.00	2%	10,866,945.00
Debt impairment	740,500.00	774,563.00	0%	810,193.00	0%	847,462.00
Depreciation & asset impairment	34,021,295.00	35,586,276.00	8%	37,223,244.00	8%	38,935,512.00
Finance charges	2,570,061.00	2,688,284.00	1%	2,811,945.00	1%	2,941,294.00
Bulk purchases	113,187,229.00	120,997,148.00	27%	127,288,999.00	27%	138,617,720.00
Contracted services	79,259,861.00	77,828,410.00	17%	81,073,615.00	17%	84,877,765.00
Transfers and grants	2,894,804.00	3,027,965.00	1%	3,167,252.00	1%	3,312,944.00
Other expenditure	57,694,586.00	62,343,838.00	14%	64,171,201.00	14%	67,128,939.00
Total Expenditure	423,089,266.00	447,577,704.00	100%	470,340,672.00	100%	500,630,697.00

The budgeted allocation for employee related costs for the 2020/2021 financial year totals R134,3 million, which equals 30 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 6,25 per cent for the 2020/2021 financial year. An annual increase of 7 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 35,5 million for the 2020/2021 financial and equates to 8 per cent of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1 per cent (R2,6 million) of operating expenditure excluding annual redemption for 2020/2021 and increases to R 2,8 million in 2021/2022. As previously noted, the Municipality has reached its prudential limits for borrowing – hence the planned borrowing to finance the capital budget does not result in finance charges as a percentage of operational expenditure increasing – rather it is kept close to 4.6 per cent over the MTREF.

Bulk purchases are directly informed by the purchase of electricity from Eskom.

The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2020/2021 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2020/2021 financial year, this group of expenditure totals R77, 8 million. For the two outer years growth has been limited to R 81, 0 and R 84,8 million respectively. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2020/2021 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. Included in the Contracted Services are items like Security Costs, Repairs and Maintenance, Consulting and Professional Fees these are all grouped under Contracted services as

per Mscoa Regulations, which states that all items that the Municipality hires an external service should be grouped under Contracted Services.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure comprises of all operational cost (telephones, electricity, printing, advertising, etc.), operating lease (photocopiers) and external audit fees, see table SA1 on page 116 these costs are also grouped in accordance to Mscoa regulations. The Municipality has set aside an amount of R 1,116 million for Covid – 19, to cover any unforeseen circumstances the municipality may come across.

Table 9 Operational repairs and maintenance

During the compilation of the 2020/2021 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. The total allocation for Repairs and Maintenance for 2020/2021 equates to R22, 5 million.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

KEN222 ubungeni - Supporting Table SA34a Repairs and maintenance expenditure by asset class

Description	Ref	2016/17			Current Year 2018/19			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		16,582	27,148	19,884	19,487	19,087	19,087	18,132	18,429	18,892
Roads Infrastructure		11,390	18,320	8,800	7,488	12,088	12,088	7,831	8,791	8,801
Roads		11,390	18,320	8,800	7,488	11,851	11,851	7,831	8,833	8,432
Road Structure		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	238	238	238	238	238	270
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		8,884	8,810	6,734	6,661	6,661	6,661	7,302	7,638	7,688
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		8,884	8,810	6,734	6,661	6,661	6,661	7,302	7,638	7,688
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PTV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pumps Station		-	-	-	-	-	-	-	-	-
Refoulment		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Total Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Band Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Recreational		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Cable Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		892	-	-	892	892	892	1,835	1,832	1,729
Community Facilities		892	-	-	892	892	892	1,835	1,832	1,729
Halls		892	-	-	892	892	892	1,835	1,832	1,729
Centres		-	-	-	-	-	-	-	-	-
Clubs		-	-	-	-	-	-	-	-	-
Clinical/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cinema/Theatre		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Abolition Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Ports		-	-	-	-	-	-	-	-	-
Taxi Rank/Bus Terminal		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Business Assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other Assets		-	-	1,804	1,705	1,800	1,800	1,748	1,828	1,810
Operational Buildings		-	-	1,804	1,705	1,800	1,800	1,748	1,828	1,810
Municipal Offices		-	-	-	-	-	-	-	-	-
Pay/Entry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Botanical or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Leases and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent License		-	-	-	-	-	-	-	-	-
Solid Waste License		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Local Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		2,406	6,333	-	-	-	-	-	-	-
Furniture and Office Equipment		2,406	6,333	-	-	-	-	-	-	-
Machinery and Equipment		-	-	18	88	88	88	101	108	111
Machinery and Equipment		-	-	18	88	88	88	101	108	111
Transport Assets		2,227	2,180	3,904	3,961	4,821	4,821	4,149	4,933	4,933
Transport Assets		2,227	2,180	3,904	3,961	4,821	4,821	4,149	4,933	4,933
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Herpetological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Herpetological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	22,528	34,664	19,897	21,127	25,776	25,776	23,738	24,376	24,622

For the 2020/2021 financial year R 22, 5 million of the budget has been set aside for repairs and maintenance, will be spent on infrastructure assets.

1.4.5 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. There is currently plus / minus 2813 debtors registered as indigent and the target is to register 500 or more indigent households during the 2020/2021 financial year, a process reviewed every six months.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.5 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 10 2020/21 Medium-term capital budget per vote

KZN222 uMngeni - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Vote											
Multi-year expenditure to be approved	2										
Vote 1 - Executive and Council		5,063	60,393	190	178	178	178	15	187	197	206
Vote 2 - Finance		187	300	6	330	330	330	61	347	365	382
Vote 3 - Corporate Services		-	-	-	241	241	241	202	253	267	279
Vote 4 - Planning Services		14,684	89	-	135	135	135	-	142	149	156
Vote 5 - Community Services		966	238	-	11,189	11,189	11,189	373	319	336	351
Vote 6 - Technical Services		21,655	28,398	8,031	1,962	1,962	1,962	640	2,012	3,617	21,738
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total		42,545	89,418	8,227	14,035	14,035	14,035	1,292	3,281	4,930	23,110
Single-year expenditure to be approved	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	13,137	15,996	15,996	6,925	5,842	9,000	-
Vote 4 - Planning Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	5,000	5,000	5,000	-	4,000	5,000	5,225
Vote 6 - Technical Services		-	-	17,942	8,000	7,200	7,200	-	15,922	12,859	5,000
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	17,942	26,137	26,196	26,196	6,925	25,764	26,859	10,225
Total Capital Expenditure - Vote	3,7	42,545	89,418	26,169	40,172	42,231	42,231	8,217	29,024	31,789	33,335

For 2020/2021 an amount of R 29,0 million has been budgeted for total capital budget. In the outer years this amount totals R 29,9 million, and R 32,3 million respectively for each of the financial years.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 20 MBRR A9 (Asset Management) on page 55.

1.6 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/2021 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 11 MBRR Table A1 - Budget Summary

KZN222 uMngeni - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Financial Performance										
Property rates	162,511	176,700	190,156	206,376	207,359	207,359	170,856	216,897	226,875	237,311
Service charges	68,160	69,773	73,941	107,477	106,957	106,957	71,544	113,466	119,310	129,510
Investment revenue	2,234	1,868	2,267	1,692	2,105	2,105	2,070	2,202	2,303	2,409
Transfers recognised - operational	61,197	65,775	75,231	82,664	82,932	82,932	70,904	90,075	95,971	104,342
Other own revenue	74,172	20,537	20,535	21,317	23,926	23,926	14,749	25,027	26,178	27,382
Total Revenue (excluding capital transfers and contributions)	368,274	334,652	362,130	419,526	423,279	423,279	330,123	447,668	470,638	500,955
Employee costs	89,805	104,451	108,127	120,969	123,226	123,226	93,036	134,399	143,405	153,102
Remuneration of councillors	7,369	8,914	8,713	9,542	9,495	9,495	7,486	9,932	10,389	10,867
Depreciation & asset impairment	42,063	45,090	51,313	34,021	34,021	34,021	-	35,586	37,223	38,936
Finance charges	4,154	2,635	2,334	5,993	2,570	2,570	1,910	2,888	2,812	2,941
Materials and bulk purchases	97,795	104,708	109,208	124,644	114,318	114,318	84,395	122,175	128,408	139,789
Transfers and grants	10,912	-	-	2,895	2,895	2,895	2,738	3,028	3,167	3,313
Other expenditure	140,565	118,429	117,055	121,391	136,564	136,564	93,802	139,769	144,936	151,683
Total Expenditure	392,664	384,228	396,749	419,455	423,089	423,089	283,367	447,578	470,341	500,631
Surplus/(Deficit)	(24,390)	(49,576)	(34,619)	71	190	190	46,756	90	287	324
Transfers and subsidies - capital (monetary allocations)	26,047	33,438	29,579	32,337	35,196	35,196	8,000	21,764	23,359	24,525
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1,658	(16,138)	(5,040)	32,408	35,386	35,386	54,756	21,853	23,656	24,849
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1,658	(16,138)	(5,040)	32,408	35,386	35,386	54,756	21,853	23,656	24,849
Capital expenditure & funds sources										
Capital expenditure	42,545	89,418	26,169	40,172	42,231	42,231	8,217	29,024	31,789	33,335
Transfers recognised - capital	15,866	33,560	24,788	32,337	35,196	35,196	8,000	21,764	23,359	24,525
Public contributions & donations	-	18,643	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	26,679	37,214	1,381	7,835	7,035	7,035	217	7,261	8,430	8,810
Total sources of capital funds	42,545	89,418	26,169	40,172	42,231	42,231	8,217	29,024	31,789	33,335
Financial position										
Total current assets	118,335	127,973	99,381	75,579	112,488	192,859	196,602	112,582	101,334	151,426
Total non current assets	775,727	794,988	1,303,638	803,085	1,337,514	1,337,514	25,275	1,330,952	1,325,296	1,318,339
Total current liabilities	54,827	47,692	76,299	18,958	92,364	92,364	26,737	108,073	130,622	145,252
Total non current liabilities	92,377	98,309	88,288	40,445	46,089	46,089	88,288	44,269	39,736	35,009
Community wealth/Equity	746,857	776,961	1,238,432	819,261	1,311,550	1,391,920	106,852	1,291,192	1,256,272	1,289,504
Cash flows										
Net cash from (used) operating	(20,612)	81,378	41,442	43,829	47,815	47,815	39,600	38,825	41,429	43,024
Net cash from (used) investing	24,041	(66,872)	(26,300)	(40,172)	(45,878)	(45,878)	(8,826)	(29,024)	(31,789)	(33,335)
Net cash from (used) financing	454	(21,705)	(2,019)	(3,124)	(236)	(4,268)	(1,523)	(3,578)	(5,212)	(7,195)
Cash/cash equivalents at the year end	16,680	3,681	25,109	4,213	26,957	22,905	54,506	25,476	29,904	32,398
Cash backing/surplus reconciliation										
Cash and investments available	15,353	11,985	25,255	4,213	19,254	19,254	42,958	25,476	29,904	32,398
Application of cash and investments	(43,465)	(64,712)	11,147	(39,768)	(59,412)	(130,158)	(106,031)	(89,043)	(81,406)	(120,461)
Balance - surplus (shortfall)	58,808	76,697	14,108	43,982	78,665	149,411	148,989	114,519	111,310	162,859
Asset management										
Asset register summary (WDV)	-	480,370	(37,407)	40,172	1,333,868	1,333,868	-	1,327,306	1,321,650	1,314,893
Depreciation	-	3,275	51,313	34,021	34,021	34,021	-	35,586	37,223	38,936
Renewal of Existing Assets	-	-	-	11,000	-	11,000	-	-	-	-
Repairs and Maintenance	22,529	34,660	18,968	236	25,770	25,770	-	22,732	24,378	24,993
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	5,029	5,721	60,520	65,214	63,843	63,843	66,779	66,779	69,851	73,064
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 12 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN222 uMngeni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional										
Governance and administration		234,454	202,098	253,201	273,373	275,893	275,893	290,531	305,684	322,203
Executive and council		11,514	13,514	44,037	50,814	50,814	50,814	55,295	60,682	66,011
Finance and administration		222,940	188,583	209,164	222,559	225,080	225,080	235,236	245,003	256,191
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		6,288	34,983	5,207	5,000	4,680	4,680	5,384	4,995	5,241
Community and social services		3,405	32,111	4,324	4,536	4,623	4,623	4,785	4,976	5,221
Sport and recreation		1	1	13	3	40	40	2	2	2
Public safety		2,882	2,451	870	461	16	16	17	18	18
Housing		-	-	-	-	-	-	590	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		66,501	37,829	33,841	43,505	48,432	48,432	33,687	35,862	37,609
Planning and development		11,015	13,650	10,531	4,614	6,681	6,681	5,703	5,965	6,239
Road transport		55,486	23,379	23,310	38,892	41,751	41,751	27,985	29,897	31,369
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		87,076	94,398	99,460	129,978	129,458	129,458	139,805	147,441	160,413
Energy sources		73,898	79,233	85,797	116,392	115,446	115,446	124,521	131,036	142,882
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		13,178	15,165	13,664	13,586	14,012	14,012	15,284	16,404	17,531
Other	4	2	2	-	8	13	13	14	14	15
Total Revenue - Functional	2	394,322	368,090	391,709	451,863	458,475	458,475	466,431	493,996	525,480
Expenditure - Functional										
Governance and administration		134,337	146,553	174,941	184,191	172,753	172,753	181,429	199,215	200,480
Executive and council		42,482	35,258	40,148	43,743	43,617	43,617	45,286	47,684	50,211
Finance and administration		90,700	109,748	133,043	118,582	127,203	127,203	134,090	140,337	147,923
Internal audit		1,156	1,547	1,751	1,866	1,933	1,933	2,053	2,194	2,346
Community and public safety		28,085	25,821	29,935	31,862	33,093	33,093	30,251	41,044	43,642
Community and social services		6,883	7,687	8,824	10,423	10,587	10,587	12,253	12,864	13,555
Sport and recreation		9,023	8,108	9,712	10,730	11,842	11,842	12,567	13,422	14,335
Public safety		11,161	9,023	10,152	9,094	9,251	9,251	12,565	13,396	14,296
Housing		1,018	1,103	1,246	1,615	1,412	1,412	1,866	1,363	1,456
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		80,850	43,829	25,314	36,866	37,895	37,895	34,641	37,280	38,953
Planning and development		11,002	11,612	10,746	16,177	15,224	15,224	16,570	17,621	18,755
Road transport		69,648	32,217	14,568	20,489	22,470	22,470	18,071	19,659	20,198
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		149,588	167,920	166,554	186,219	179,038	179,038	191,290	200,807	216,534
Energy sources		120,886	132,214	126,965	152,746	142,901	142,901	156,543	164,108	177,768
Water management		-	-	-	-	-	-	-	-	-
Waste water management		2,414	3,172	3,095	3,286	3,496	3,496	3,753	4,009	4,283
Waste management		26,289	32,534	36,495	30,187	32,642	32,642	30,994	32,690	34,483
Other	4	4	6	4	517	510	510	967	994	1,022
Total Expenditure - Functional	3	392,664	384,228	396,749	419,455	423,089	423,089	447,578	470,341	500,631
Surplus/(Deficit) for the year		1,658	(16,138)	(5,040)	32,408	35,386	35,386	21,853	23,656	24,849

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 4 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does balance to the operating revenue shown on Table A4.

- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for both the Electricity function and the Waste management function.
- Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Executive & Council.

Table 13 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN222 uMngeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		212,734	195,809	244,721	267,152	269,135	269,135	263,659	299,551	315,669
Vote 2 - Finance		4,333	4,507	4,507	4,139	4,610	4,610	4,671	4,877	5,020
Vote 3 - Corporate Services		973	991	1,427	1,313	1,379	1,379	1,443	1,509	1,578
Vote 4 - Planning Services		11,015	13,673	12,235	4,621	6,694	6,694	5,716	5,979	6,254
Vote 5 - Community Services		58,707	35,760	8,355	9,481	9,071	9,071	9,998	9,800	10,267
Vote 6 - Technical Services		106,590	117,351	120,464	165,157	167,596	167,596	163,955	172,280	186,492
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	394,322	368,090	391,709	451,863	458,475	458,475	469,431	493,996	525,480
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		43,639	36,909	55,695	45,609	45,550	45,550	47,338	49,878	52,557
Vote 2 - Finance		63,564	68,177	69,471	64,265	62,651	62,651	65,904	69,402	73,022
Vote 3 - Corporate Services		26,169	30,704	31,552	35,637	45,304	45,304	47,528	50,064	52,784
Vote 4 - Planning Services		11,007	11,612	10,637	16,668	15,734	15,734	17,537	18,615	19,777
Vote 5 - Community Services		69,692	31,213	33,503	35,690	35,753	35,753	43,215	45,268	48,144
Vote 6 - Technical Services		178,593	205,713	195,891	221,595	218,097	218,097	226,056	237,091	254,347
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	392,664	384,228	396,749	419,455	423,089	423,089	447,578	470,341	500,631
Surplus/(Deficit) for the year	2	1,658	(16,138)	(5,040)	32,408	35,386	35,386	21,853	23,655	24,849

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity trading service.

Table 14 Surplus/(Deficit) calculations for the trading services

	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue and Expenditure Framework		
Description	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Operating Revenue	73,888	79,233	85,797	116,382	115,446	115,446	124,521	131,036	142,882
Operating Expenditure	120,886	132,214	126,965	152,746	144,046	144,046	156,543	164,108	177,768
Surplus for the year	(46,988)	(52,981)	(41,168)	(36,354)	(28,599)	(28,599)	(32,023)	(33,072)	(34,887)
Percentage Surplus	-64%	-67%	-48%	-31%	-25%	-25%	-26%	-25%	-24%

2. The electricity trading deficit is a major concern over the 2020/21 MTREF averaging -26 percent over the MTREF. This is primarily as a result of the high increases in Eskom bulk purchases, distribution losses through tampering, theft, illegal connections and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.
3. Note that the deficit on the electricity account is *cross-subsidise by rates and other municipal services*.

Table 15 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN222 uMngeni - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source												
Property rates	2		162,511	176,700	190,156	206,376	207,359	207,359	170,856	216,897	226,875	237,311
Service charges - electricity revenue	2		61,887	63,056	66,739	101,005	100,060	100,060	65,223	106,251	111,763	121,616
Service charges - water revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2		6,273	6,717	7,202	6,472	6,898	6,898	6,321	7,215	7,547	7,894
Rental of facilities and equipment			757	704	1,078	1,074	1,151	1,151	967	1,204	1,260	1,318
Interest earned - external investments			2,234	1,868	2,267	1,682	2,105	2,105	2,070	2,202	2,303	2,409
Interest earned - outstanding debtors			1,942	8,598	10,917	9,962	10,962	10,962	6,448	11,467	11,994	12,546
Dividends received			-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			62,236	2,451	870	468	22	22	1,621	23	24	26
Licences and permits			3,495	3,612	3,523	4,858	4,864	4,864	2,788	5,087	5,321	5,566
Agency services			-	-	-	-	-	-	-	-	-	-
Transfers and subsidies			61,197	65,775	75,231	82,664	82,932	82,932	70,904	90,075	95,971	104,342
Other revenue	2		5,741	5,171	4,146	4,955	6,927	6,927	2,725	7,245	7,578	7,927
Gains			-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			368,274	334,652	362,130	419,526	423,279	423,279	330,123	447,668	470,638	500,955
Expenditure By Type												
Employee related costs	2		89,805	104,451	108,127	120,969	123,226	123,226	93,036	134,399	143,405	153,102
Remuneration of councillors			7,369	8,914	8,713	9,542	9,485	9,485	7,488	9,932	10,389	10,867
Debt impairment	3		48,058	16,668	16,880	741	741	741	-	775	810	947
Depreciation & asset impairment	2		42,063	45,090	51,313	34,021	34,021	34,021	-	35,586	37,223	38,936
Finance charges			4,154	2,635	2,334	5,993	2,570	2,570	1,910	2,688	2,812	2,941
Bulk purchases	2		97,795	104,708	107,296	123,187	113,187	113,187	83,638	120,997	127,289	138,618
Other materials	8		-	-	1,910	1,457	1,131	1,131	758	1,178	1,119	1,171
Contracted services			13,631	22,938	25,352	68,053	79,630	79,630	61,062	77,828	81,074	84,878
Transfers and subsidies			10,912	-	-	2,895	2,895	2,895	2,738	3,028	3,167	3,313
Other expenditure	4, 5		78,676	78,823	74,823	52,598	56,194	56,194	32,740	61,166	63,052	65,958
Losses			-	-	-	-	-	-	-	-	-	-
Total Expenditure			392,664	384,228	396,749	419,455	423,089	423,089	283,367	447,578	470,341	500,631
Surplus/(Deficit)			(24,390)	(49,576)	(34,619)	71	190	190	46,756	90	297	324
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			26,047	33,438	29,579	32,337	35,196	35,196	8,000	21,784	23,359	24,525
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational institutions)	6		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			1,658	(16,138)	(5,040)	32,408	35,386	35,386	54,756	21,853	23,656	24,849
Taxation			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation			1,658	(16,138)	(5,040)	32,408	35,386	35,386	54,756	21,853	23,656	24,849
Attributable to minorities			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			1,658	(16,138)	(5,040)	32,408	35,386	35,386	54,756	21,853	23,656	24,849
Share of surplus/ (deficit) of associate	7		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year			1,658	(16,138)	(5,040)	32,408	35,386	35,386	54,756	21,853	23,656	24,849

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R 447,6 million in 2020/2021 and escalates to R 470,6 million by 2021/2022. This represents a year-on-year increase of 6 per cent for the 2020/2021 financial year and decrease of 5 per cent for the 2021/2022 financial year.
2. Revenue to be generated from property rates is R216,8 million in the 2020/2021 financial year and increases to R226,8 million by 2021/2022 which represents 48 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 4,6 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity and refuse removal contributes to the revenue basket of the Municipality totalling R113,4 million for the 2020/2021 financial year and increasing to R 119,3 million by 2021/2022.
4. For the 2020/2021 financial year services charges amount to 26 per cent of the total revenue base and remains to 26 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity.
5. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
6. Bulk purchases have significantly increased over the 2020/2021 to 2022/2023 period escalating from R 120,9 million to R 138,6 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 16 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Capital Expenditure - Functional											
Governance and administration		5,250	60,694	219	749	749	749	77	788	829	866
Executive and council		5,063	60,393	15	178	178	178	15	187	197	206
Finance and administration		187	300	204	571	571	571	61	600	632	660
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		956	238	3,016	31,326	34,186	34,186	7,479	10,161	14,336	5,576
Community and social services		956	238	3,016	15,326	18,186	18,186	5,176	6,161	9,336	391
Sport and recreation		-	-	-	11,000	11,000	11,000	576	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	5,000	5,000	5,000	1,728	4,000	5,000	5,225
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental service		35,991	28,388	22,927	5,581	5,581	5,581	126	16,323	10,781	18,466
Planning and development		14,684	89	126	135	135	135	-	142	149	156
Road transport		21,307	28,299	22,800	5,447	5,447	5,447	126	16,181	10,632	18,311
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	7	2,516	1,716	1,716	535	1,753	5,844	8,427
Energy sources		-	-	-	1,716	1,716	1,716	528	1,753	3,344	3,427
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	2,500	5,000
Waste management		-	-	7	800	-	-	7	-	-	-
Other		347	99	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3,7	42,545	89,418	26,169	40,172	42,231	42,231	8,217	29,024	31,789	33,335
Funded by:											
National Government		15,866	23,379	18,787	32,337	35,196	35,196	8,000	21,764	23,359	24,525
Provincial Government		-	10,181	6,001	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial)		-	-	-	-	-	-	-	-	-	-
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	15,866	33,560	24,788	32,337	35,196	35,196	8,000	21,764	23,359	24,525
Public contributions & donations	5	-	18,643	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		26,679	37,214	1,381	7,835	7,035	7,035	217	7,261	8,430	8,810
Total Capital Funding	7	42,545	89,418	26,169	40,172	42,231	42,231	8,217	29,024	31,789	33,335

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at R 29,0 million for the 2020/2021 financial year and increases over the MTREF at levels of R31,7 million and R33,3 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital grants and contributions from the capital replacement reserve. For 2020/2021 capital transfers totals R21, 7 million and escalates to R23, 3 million by 2021/2022. Internally generated funding totaling R 7, 2 million in 2020/2021.

Table 17 MBRR Table A6 - Budgeted Financial Position

KZN222 uMngeni - Table A6 Budgeted Financial Position

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
ASSETS											
Current assets											
Cash		10,679	3,681	25,255	1,988	19,254	19,254	42,958	25,476	29,904	32,388
Call investment deposits	1	4,674	8,305	-	2,226	0	0	-	0	0	-
Consumer debtors	1	63,639	92,100	54,368	70,905	70,905	151,275	151,275	64,744	49,051	96,631
Other debtors		39,343	8,200	2,388	461	22,330	22,330	2,368	22,361	22,379	22,397
Current portion of long-term receivables		-	15,667	17,390	-	-	-	-	-	-	-
Inventory	2	-	-	-	-	-	-	-	-	-	-
Total current assets		118,335	127,973	98,381	75,579	112,488	192,859	196,602	112,582	101,334	151,426
Non current assets											
Long-term receivables		-	3,500	3,646	3,500	3,646	3,646	3,646	3,646	3,646	3,646
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		4,791	4,526	4,408	5,000	9,408	9,408	4,408	13,183	18,947	23,925
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	765,221	781,356	1,290,072	788,948	1,318,949	1,318,949	11,709	1,308,638	1,297,245	1,285,339
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		321	214	-	-	-	-	-	-	-	-
Intangible		5,393	5,393	119	514	119	119	119	93	65	36
Other non-current assets		-	-	5,393	5,123	5,393	5,393	5,393	5,393	5,393	5,393
Total non current assets		775,727	794,988	1,303,638	803,085	1,337,514	1,337,514	25,275	1,330,952	1,325,296	1,318,339
TOTAL ASSETS		894,062	922,961	1,403,019	878,664	1,450,002	1,530,373	221,876	1,463,534	1,426,630	1,469,765
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	4,492	4,737	3,780	3,064	4,127	4,127	2,670	2,822	4,387	6,295
Consumer deposits		2,435	1,723	1,875	-	3,891	3,891	1,875	3,136	2,310	1,410
Trade and other payables	4	46,450	39,647	68,982	15,894	19,525	19,525	20,529	22,907	29,536	27,150
Provisions		1,453	1,585	1,653	-	64,821	64,821	1,653	79,208	94,399	110,397
Total current liabilities		54,827	47,692	76,299	18,958	92,364	92,364	28,737	108,073	130,622	145,252
Non current liabilities											
Borrowing		26,977	23,670	16,893	17,106	16,893	16,893	16,893	15,073	10,540	5,813
Provisions		65,400	74,639	71,395	23,340	29,196	29,196	71,395	29,196	29,196	29,196
Total non current liabilities		92,377	98,309	88,288	40,445	46,089	46,089	88,288	44,269	39,736	35,009
TOTAL LIABILITIES		147,204	146,001	164,587	59,403	138,453	138,453	115,025	152,342	170,358	180,261
NET ASSETS	5	746,857	776,961	1,238,432	819,261	1,311,550	1,391,920	106,852	1,291,192	1,256,272	1,289,504
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		604,279	776,961	1,238,432	819,261	1,311,550	1,391,920	106,852	1,291,192	1,256,272	1,289,504
Reserves	4	142,579	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	746,857	776,961	1,238,432	819,261	1,311,550	1,391,920	106,852	1,291,192	1,256,272	1,289,504

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 61 is supported by an extensive table of notes (SA3 which can be found on page 71) providing a detailed analysis of the major components of a number of items, including:
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 18 MBRR Table A7 - Budgeted Cash Flow Statement

KZN222 uMngeni - Table A7 Budgeted Cash Flows

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		181,185	187,431	190,156	185,738	186,623	186,623	133,209	195,207	204,187	213,580
Service charges		68,180	69,773	73,941	96,729	96,262	96,262	62,108	102,128	107,389	116,570
Other revenue		16,789	11,243	9,116	10,705	14,852	14,852	11,594	15,524	16,255	17,005
Transfers and Subsidies - Operational	1	61,197	65,857	75,231	82,664	81,873	81,873	53,621	90,075	95,970	104,340
Transfers and Subsidies - Capital	1	26,047	33,438	29,579	32,337	32,337	32,337	18,000	21,764	23,359	24,525
Interest		4,175	1,328	12,987	10,659	11,971	11,971	1,010	12,558	13,200	13,860
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(374,012)	(285,655)	(347,234)	(366,115)	(373,172)	(373,172)	(238,202)	(395,365)	(415,726)	(443,504)
Finance charges		(4,154)	(2,635)	(2,334)	(5,983)	(2,570)	(2,570)	(1,073)	(2,688)	(2,812)	(2,941)
Transfers and Grants	1	0	-	-	(2,885)	(360)	(360)	(557)	(377)	(394)	(412)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(20,612)	81,378	41,442	43,829	47,815	47,815	39,600	38,825	41,429	43,824
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(4,286)	472	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	(146)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		28,364	3,631	-	-	(3,646)	(3,646)	-	-	-	-
Payments											
Capital assets		(39)	(70,774)	(25,153)	(40,172)	(42,231)	(42,231)	(8,826)	(29,024)	(31,789)	(33,335)
NET CASH FROM/(USED) INVESTING ACTIVITIES		24,041	(66,672)	(26,300)	(40,172)	(45,878)	(45,878)	(8,826)	(29,024)	(31,789)	(33,335)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		3,139	(18,727)	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		139	-	978	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	152	-	3,881	(161)	120	(756)	(825)	(900)
Payments											
Repayment of borrowing		(2,824)	(2,978)	(3,148)	(3,124)	(4,127)	(4,127)	(1,643)	(2,822)	(4,387)	(6,235)
NET CASH FROM/(USED) FINANCING ACTIVITIES		454	(21,705)	(2,019)	(3,124)	(236)	(4,288)	(1,523)	(3,578)	(5,212)	(7,195)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	6,796	10,679	11,985	3,881	25,255	25,255	25,255	19,254	25,476	29,904
Cash/cash equivalents at the year end:	2	10,680	3,681	25,109	4,213	26,957	22,905	54,506	25,476	29,904	32,398

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2019/2020 MTREF provides for a further net decrease in cash of R 2,3 million for the 2020/2021 financial year resulting in an overall projected positive cash position of R 25,4million at year end.
4. The 2020/2021 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term. The collection rate is 90%.
5. Cash and cash equivalents totals R 25,4 million positive as at the end of the 2020/2021 financial year and increases to R 29,9 million by 2021/2022.

Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN222 uMngeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	10,680	3,681	25,109	4,213	26,957	22,905	54,506	25,476	29,904	32,398
Other current investments > 90 days		4,674	8,305	146	-	(7,704)	(3,651)	(11,548)	0	0	-
Non current assets - investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		15,353	11,985	25,255	4,213	19,253	19,254	42,958	25,476	29,904	32,398
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	1,949	1,949	-	1,731	1,501	1,490
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(43,455)	(64,712)	11,022	(49,581)	(71,184)	(141,930)	(106,031)	(62,185)	(41,544)	(85,853)
Other provisions		-	-	125	9,823	9,823	9,823	-	10,275	10,748	11,242
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		(43,455)	(64,712)	11,147	(39,758)	(39,412)	(130,158)	(106,031)	(50,189)	(29,295)	(73,121)
Surplus(shortfall)		58,808	76,697	14,108	43,962	78,665	149,411	148,989	75,666	59,199	105,519

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2020/2021 MTREF was funded owing to the significant surplus.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2020/2021 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 20 MBRR Table A9 - Asset Management

KZN222 uMngeni - Table A9 Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	42,546	89,418	28,169	24,172	28,231	28,231	29,024	28,789	15,310
Roads Infrastructure		20,501	64,462	25,125	2,200	2,200	2,200	15,922	7,359	-
Storm water Infrastructure		-	-	-	-	-	-	-	2,500	5,000
Electrical Infrastructure		885	-	-	1,716	1,716	1,716	1,753	3,344	3,427
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		21,186	64,462	25,125	3,916	3,916	3,916	17,674	13,203	6,427
Community Facilities		-	18,543	-	13,137	15,966	15,966	5,842	9,000	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	18,543	-	13,137	15,966	15,966	5,842	9,000	-
Heritage Assets		14,884	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	5,000	5,000	5,000	4,000	5,000	5,226
Investment properties		-	-	-	5,000	5,000	5,000	4,000	5,000	5,226
Operational Buildings		6,675	3,763	286	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		6,675	3,763	286	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	545	500	1,319	1,319	1,319	1,506	1,506	1,558
Machinery and Equipment		-	429	257	900	-	-	-	-	-
Transport Assets		-	1,675	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	11,000	11,000	11,000	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	11,000	11,000	11,000	-	-	-
Community Assets		-	-	-	11,000	11,000	11,000	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	-	-	-	5,000	5,000	5,000	-	3,000	18,025
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	3,000	3,000	3,000	-	3,000	18,025
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	3,000	3,000	3,000	-	3,000	18,025
Community Facilities		-	-	-	2,000	2,000	2,000	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	2,000	2,000	2,000	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

Total Capital Expenditure	4	42,545	89,418	26,189	40,172	42,231	42,231	29,024	31,789	33,335
Roads Infrastructure		20,501	64,462	25,125	2,200	2,200	2,200	15,922	7,359	18,025
Storm water Infrastructure		-	-	-	3,000	3,000	3,000	-	5,500	5,000
Electrical Infrastructure		685	-	-	1,716	1,716	1,716	1,753	3,344	3,427
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		21,186	64,462	25,125	6,916	6,916	6,916	17,674	16,203	26,452
Community Facilities		-	18,643	-	15,137	17,996	17,996	5,842	9,000	-
Sport and Recreation Facilities		-	-	-	11,000	11,000	11,000	-	-	-
Community Assets		-	18,643	-	26,137	28,998	28,998	5,842	9,000	-
Heritage Assets		14,884	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	5,000	5,000	5,000	4,000	5,000	5,225
Investment properties		-	-	-	5,000	5,000	5,000	4,000	5,000	5,225
Operational Buildings		6,675	3,783	286	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		6,675	3,783	286	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	545	500	1,319	1,319	1,319	1,508	1,586	1,658
Machinery and Equipment		-	429	257	800	-	-	-	-	-
Transport Assets		-	1,575	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		42,545	89,418	26,189	40,172	42,231	42,231	29,024	31,789	33,335
ASSET REGISTER SUMMARY - PPE (NDV)	5	781,119	796,881	1,299,991	794,462	1,333,868	1,333,868	1,327,306	1,321,650	1,314,893
Roads Infrastructure		434,455	434,455	886,331	5,200	778,909	778,909	772,645	752,106	746,887
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		46,837	38,537	116,980	1,716	118,696	118,696	118,103	119,488	119,456
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	13,327	13,327	13,327	13,327	13,327
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		481,292	472,992	1,003,311	5,916	916,831	916,831	904,075	887,420	884,682
Community Assets		119,233	140,366	103,432	26,137	118,785	118,785	113,820	119,710	119,567
Heritage Assets		5,393	5,393	5,393	-	5,393	5,393	5,393	5,393	5,393
Investment properties		5,843	4,791	4,408	5,000	9,408	9,408	13,193	18,947	23,925
Other Assets		10,062	4,281	13,287	754,200	119,911	119,911	119,911	119,911	119,911
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	230	119	-	119	119	93	65	36
Computer Equipment		-	-	-	-	1,705	1,705	1,389	1,017	1,000
Furniture and Office Equipment		-	1,699	1,705	1,319	2,962	2,962	4,150	5,261	5,337
Machinery and Equipment		-	2,702	2,174	800	2,240	2,240	2,044	1,838	1,829
Transport Assets		-	5,119	6,785	-	5,119	5,119	3,973	2,772	2,717
Land		159,297	159,297	159,297	-	159,297	159,297	159,297	159,297	159,297
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (NDV)	5	781,119	796,881	1,299,991	794,462	1,333,868	1,333,868	1,327,306	1,321,650	1,314,893
EXPENDITURE OTHER ITEMS										
Depreciation	7	42,063	45,090	51,313	34,021	34,021	34,021	35,586	37,223	38,936
Repairs and Maintenance by Asset Class	3	22,525	34,664	18,997	21,127	25,770	25,770	22,378	24,378	24,983
Roads Infrastructure		11,396	18,325	6,650	7,496	12,066	12,066	7,831	6,791	8,691
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		5,586	8,619	6,734	6,981	6,981	6,981	7,302	7,638	7,989
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		16,982	27,145	13,384	14,487	19,067	19,067	15,133	16,429	16,680
Community Facilities		856	-	-	503	232	232	1,333	1,394	1,458
Sport and Recreation Facilities		-	-	-	331	292	292	275	288	301
Community Assets		856	-	-	835	524	524	1,808	1,682	1,739
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	1,604	1,795	1,590	1,590	1,748	1,828	1,910
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	1,604	1,795	1,590	1,590	1,748	1,828	1,910
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		2,458	5,333	-	-	-	-	-	-	-
Machinery and Equipment		-	-	15	68	68	68	101	106	111
Transport Assets		2,227	2,186	3,994	3,961	4,521	4,521	4,143	4,333	4,533
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		64,588	79,754	70,310	55,148	59,792	59,792	58,918	61,601	63,929

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE, however uMngeni is unable to comply with the above due to cash constraints.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

Table 21 MBRR Table A10 - Basic Service Delivery Measurement

KZN222 uMngeni - Table A10 Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		--	--	--	--	--	--	--	--	--
Piped water inside yard (but not in dwelling)		--	--	--	--	--	--	--	--	--
Using public tap (at least min service level)	2	--	--	--	--	--	--	--	--	--
Other water supply (at least min service level)	4	--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>		--	--	--	--	--	--	--	--	--
Using public tap (< min service level)	3	--	--	--	--	--	--	--	--	--
Other water supply (< min service level)	4	--	--	--	--	--	--	--	--	--
No water supply		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>		--	--	--	--	--	--	--	--	--
Total number of households	5	--	--	--	--	--	--	--	--	--
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		--	--	--	--	--	--	--	--	--
Flush toilet (with septic tank)		--	--	--	--	--	--	--	--	--
Chemical toilet		--	--	--	--	--	--	--	--	--
Pit toilet (ventilated)		--	--	--	--	--	--	--	--	--
Other toilet provisions (> min service level)		--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>		--	--	--	--	--	--	--	--	--
Bucket toilet		--	--	--	--	--	--	--	--	--
Other toilet provisions (< min service level)		--	--	--	--	--	--	--	--	--
No toilet provisions		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>		--	--	--	--	--	--	--	--	--
Total number of households	5	--	--	--	--	--	--	--	--	--
Energy:										
Electricity (at least min service level)		--	--	--	--	--	--	--	--	--
Electricity - prepaid (min service level)		--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>		--	--	--	--	--	--	--	--	--
Electricity (< min service level)		--	--	--	--	--	--	--	--	--
Electricity - prepaid (< min service level)		--	--	--	--	--	--	--	--	--
Other energy sources		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>		--	--	--	--	--	--	--	--	--
Total number of households	5	--	--	--	--	--	--	--	--	--
Refuse:										
Removed at least once a week		--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>		--	--	--	--	--	--	--	--	--
Removed less frequently than once a week		--	--	--	--	--	--	--	--	--
Using communal refuse dump		--	--	--	--	--	--	--	--	--
Using own refuse dump		--	--	--	--	--	--	--	--	--
Other rubbish disposal		--	--	--	--	--	--	--	--	--
No rubbish disposal		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>		--	--	--	--	--	--	--	--	--
Total number of households	5	--	--	--	--	--	--	--	--	--
Households receiving Free Basic Service	7									
Water (6 kilolitre per household per month)		--	--	--	--	--	--	--	--	--
Sanitation (free minimum level service)		--	--	--	--	--	--	--	--	--
Electricity/other energy (50kwh per household per month)		--	--	--	--	--	--	--	--	--
Refuse (removed at least once a week)		--	--	--	--	--	--	--	--	--
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitre per indigent household per month)		--	--	--	--	--	--	--	--	--
Sanitation (free sanitation service to indigent households)		--	--	--	--	--	--	--	--	--
Electricity/other energy (50kwh per indigent household per month)		--	--	--	--	--	--	--	--	--
Refuse (removed once a week for indigent households)		--	--	--	--	--	--	--	--	--
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		--	--	--	--	--	--	--	--	--
Total cost of FBS provided		--	--	--	--	--	--	--	--	--
Highest level of free service provided per household										
Property rates (R value threshold)		120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Water (kilolitre per household per month)		--	--	--	--	--	--	--	--	--
Sanitation (kilolitre per household per month)		--	--	--	--	--	--	--	--	--
Sanitation (Rand per household per month)		--	--	--	--	--	--	--	--	--
Electricity (kwh per household per month)		100	100	100	100	100	100	100	100	100
Refuse (average litres per week)		675	675	675	675	675	675	675	675	675
Revenue cost of subsidised services provided (R'000)	9									
Property rates (after adjustment) (impermissible values per section 17 of MPRA)		--	--	--	--	--	--	--	--	--
Property rates, exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		46,015	54,803	60,520	58,380	57,397	57,397	60,037	62,799	65,687
Water (in excess of 6 kilolitre per indigent household per month)		--	--	--	--	--	--	--	--	--
Sanitation (in excess of free sanitation service to indigent households)		--	--	--	--	--	--	--	--	--
Electricity/other energy (in excess of 50 kwh per indigent household per month)		--	--	--	351	--	--	--	--	--
Refuse (in excess of one removal a week for indigent households)		5,029	5,721	6,240	6,483	6,446	6,446	6,742	7,052	7,377
Municipal Housing - rental rebates		--	--	--	--	--	--	--	--	--
Housing - top structure subsidies		--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
Total revenue cost of subsidised services provided	6	53,044	60,524	66,759	65,214	63,843	63,843	66,779	69,851	73,064

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
 - a. Electricity services – backlog has been reduced. All queries related to electricity are attended immediately i.e our service provider is aware that queries must be attended to in a day to avoid customers fiddling with the meters.
 - b. Refuse services – The Municipality collects the refuse removal every day.
3. The budget provides for 2813 households to be registered as indigent in 2020/21, and therefore entitled to receiving Free Basic Services.
4. It is anticipated that these Free Basic Services will cost the municipality R3, 0 million in 2020/2021. This is covered by the municipality's equitable share allocation from national government.
5. In addition to the Free Basic Services, the Municipality also 'gives' households R66,7 million in free services in 2020/2021. This 'tax expenditure' needs to be seen within the context of the municipality's overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2019) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in August 2019. Key dates applicable to the process were:

TIME SCHEDULE
Quarter 1

Aligned process	Activities	Target dates	Responsibility	Outputs
IDP-BUDGET	Prepare Draft 2019/2020 Process Plan	18 July 2019 – August 2019	Manager (IDP & PMS) Budget Manager	Draft Process Plan
PMS	Internal Audit reports on performance information must be submitted to Council and Performance Audit Committee	Quarterly	Manager (IDP & PMS)	Quarterly performance reports
IDP	UMDM IDP Sub-cluster meeting	25 July 2019	Manager (IDP & PMS)	Process Plan Framework
PMS	Signed S56 & S57 Managers Performance Agreements	26 July 2019	Municipal Manager	Signed Performance agreements
IDP	Submit Draft 2019/2020 IDP & Budget Process Plan to COGTA & Provincial Treasury for comments	31 July 2019	Manager (IDP & PMS) Budget Manager	Letter of acknowledgement
IDP-BUDGET-PMS	Tabling Draft 2020/2021 Process Plan at Technical Cluster	07 August 2019	Manager (IDP & PMS)	Minutes of Technical Cluster
IDP	Public notice on the Draft 2019/2020 IDP & Budget Process Plan	01-14 August 2019	Manager (IDP & PMS)	Public notice on the Draft Process Plan
IDP	UMDM IDP Sub-cluster meeting	20 August 2019	Manager (IDP & PMS)	Attendance register
PMS	Draft 2018-2019 Annual Performance Report	25 August 2019	Municipal Manager PMS Manager	Draft 2018-2019 Annual Performance Report
IDP-BUDGET	Tabling and adoption of 2020/2021 Process Plan at Council	30 August 2019	Honourable Mayor	Adopted time schedule with council resolution

IDP	Assess status of sector plans and policies	01 - 30 August 2019	Manager (IDP & PMS)	Updated table indicating status of reviewed sector plans and policies
IDP	Tabling of Status Quo Report to Technical Cluster	By 27 September 2019	Manager (IDP & PMS)	Status quo report
IDP-BUDGET	Submission of adopted 2020/2021 Process Plan to COGTA and Provincial Treasury	13 September 2019	Manager (IDP & PMS)	Letter of acknowledgement from COGTA

Quarter 2

Aligned process	Activities	Target dates	Responsibility	Outputs
PMS	Quarterly performance report submitted to Council	Quarterly	Manager (IDP & PMS)	Quarterly performance report with Council resolution
BUDGET	2019-2020 First Quarter Budget Review	30 October 2019	CFO Budget Manager	Budget review report
IDP	UMDM IDP Sub-cluster meeting	To be confirmed	Manager (IDP & PMS)	Attendance
IDP	Review municipal objectives and strategies	01–16 November 2019	Internal departments	Report on reviewed strategies
IDP	IDP Alignment Session for uMgungundlovu District	5 November 2019	Manager (IDP & PMS)	
IDP	Prioritisation of projects	November 2019	Councillors Ward committees	Prioritisation list integrated into IDP
IDP-SDF	Strategies report to relevant Council Committees	By 30 November 2019	Manager (IDP & PMS)	Strategies report presented to Technical Cluster Committee
IDP	uMngeni IDP Representative Forum	05 December 2019	Manager (IDP & PMS)	Inputs from sector departments

IDP-BUDGET	Internal departments budget inputs	December 2019 to January 2020	Internal departments	Completed templates aligned to IDP format (mSCOA)
IDP	Prioritisation of projects	November 2019	Councillors Ward committees	Prioritisation list integrated into IDP

Quarter 3

Aligned process	Activities	Target dates	Responsibility	Outputs
IDP	Review Ward Based Plans	By 30 January 2020	Manager (Communications and Research) Manager (IDP & PMS) Ward Committees	Ward Based Plans developed for all wards
PMS	Schedule Performance Audit Committee	Quarterly	MM/ Manager (IDP & PMS)	Minutes of committee meetings
BUDGET-PMS	Mid-year budget review and performance assessment	22 January 2019	CFO, Budget Manager	Budget review and Midyear performance report
IDP	COGTA departmental sector alignment sessions	07 February 2020	Manager (IDP & PMS)	Department programmes report
BUDGET	2019/2020 Budget Adjustment	By 26 February 2020	Chief Financial Officer	Adjustment Budget with Council Resolution
IDP-BUDGET-PMS	Alignment of Draft 2020/2021 IDP Review and Budget towards Draft SDBIP	By 15 March 2020	Internal departments Manager (IDP & PMS)	Draft 2020/2021 IDP Review, Multiyear-budget and SDBIP
IDP(SDF)-BUDGET-PMS	Tabling of Draft 2020/2021 IDP Review, Draft Multiyear Budget and Draft SDBIP to relevant council committees	01-30 March 2020	Honourable Mayor Full Council	Draft 2019/2020 IDP Review inclusive of SDF, Draft Multiyear Budget and Draft SDBIP with council resolutions
IDP-BUDGET-PMS	Submission of Draft IDP Review, Draft	By 31 March 2020	Manager (IDP & PMS) Budget Manager	Letter of acknowledgement

	Multiyear Budget and Draft SDBIP to COGTA and Provincial Treasury			
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Quarter 4

Aligned process	Activities	Target dates	Responsibility	Outputs
PMS	Quarterly performance report submitted to Council	Quarterly	Municipal Manager Manager (IDP & PMS)	Quarterly performance report with Council resolution
IDP-BUDGET	Public notice on tabled items including a schedule of public meetings	01-22 April 2020	Manager (Communications and Research) Manager (IDP & PMS)	Public notice
IDP-BUDGET	Presentation of Draft 2019/2020 IDP Review and Budget to communities and stakeholders in all wards	By 20 April 2020	Honourable Mayor and all relevant internal departmental personnel	Register and minutes of public inputs
IDP	UMDM IDP Sub- cluster meeting	02 April 2020	Manager (IDP & PMS)	Self-Assessment tool
IDP	uMngeni IDP Representative Forum	06 April 2019	Manager (IDP & PMS)	Presentation of Draft IDP Review
IDP	Convening of decentralised IDP Assessment Forums	11 April 2020	Manager (IDP & PMS)	IDP assessment report
IDP	IDP Assessment feedback Session by COGTA IDP Coordination Business Unit	08 May 2020	COGTA	Report of assessment feedback
IDP-BUDGET	Tabling and adoption of Final Draft 2019/2020 IDP Review and Multiyear budget	By 29 May 2020	Honourable Mayor	Multi-year Budget with council resolution
IDP-BUDGET-PMS	Address AG comments on the Annual Report of	By 29 May 2020	All departments	Response table

	the previous financial year			
IDP	Public Notice on adopted IDP Review and Budget	03 June 2020	Manager (IDP & PMS) Budget Manager	Public Notice
IDP-BUDGET	Submission of Final IDP Review and Budget to relevant sector departments	10 June 2020	Manager (IDP & PMS) Budget Manager	Letter of acknowledgement
PMS	Approved departmental SDBIP	By 26 June 2020	Honorable Mayor Municipal Manager Manager (IDP & PMS)	Signed SDBIP by Honourable Mayor

2.1.2 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2020/2021 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2020/2021 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2019/2020 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 98 and 99 have been taken into consideration in the planning and prioritisation process.

2.2 Overview of alignment of annual budget with IDP

Table 22 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

KZN222 uMngeni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

KENNEDY Integrated - Supporting Table 3A Reconciliation of 10F Strategic Objectives and Budget (Revenue)													
Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
R thousand													
Revenue	Human resources development and management			56	104	186	209	209	209	219	229	240	
	Good corporate governance			4,333	4,507	4,507	4,139	4,610	4,610	4,679	4,882	5,042	
	Job Creation			59,624	36,646	9,597	10,586	10,242	10,242	11,230	11,112	11,663	
	Integrated Human Settlements and Strategic Infrastructure			106,580	117,351	120,464	165,157	167,595	167,595	166,132	174,618	184,947	
	Financial sound and sustainable municipality			212,734	195,809	244,721	257,152	269,135	269,135	281,436	297,136	317,302	
	Spatial planning and environmental sustainability			11,015	13,573	12,235	4,621	6,694	6,694	5,733	6,008	6,296	
Allocations to other priorities													
Total Revenue (excluding capital transfers and contributions)				1	394,322	368,080	391,700	451,863	458,475	458,475	469,431	493,996	525,488

Table 23 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

KZN222 uMngeni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

KZN222 Integrated - Supporting Table SA3 Reconciliation of IDP Strategic Objectives and Budget (operational expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
R thousand													
Expenditure	Human resources development and management			10,619	11,027	10,450	13,168	12,263	12,263	13,316	14,152	15,040	
	Good corporate governance			63,564	68,177	69,471	64,265	62,651	62,651	65,424	68,986	72,577	
	Job Creation			85,242	50,890	54,605	58,159	68,795	68,795	75,471	79,235	79,912	
	Integrated Human Settlements and Strategic Infrastructure			178,593	205,713	195,891	221,565	218,097	218,097	228,334	239,247	260,356	
	Financial sound and sustainable municipality			43,639	36,909	55,695	45,608	45,560	45,560	47,848	50,471	53,243	
	Spacial planning and environmental sustainability			11,007	11,612	10,637	16,668	15,734	15,734	17,183	18,250	19,400	
Allocations to other priorities													
Total Expenditure				1	382,664	384,228	396,749	419,455	423,089	423,089	447,578	470,341	506,631

Table 24 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

KZN222 uMngeni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand												
Improve asset management	Financially sound and sustainable municipality	A								5,000		
Improve asset management	Financially sound and sustainable municipality	C								5,842	1,500	1,500
Provision of quality public transport infrastructure including roads and storm-water	Integrated human settlements and strategic infrastructure	D								3,500		
Provision of quality public transport infrastructure including roads and storm-water	Integrated human settlements and strategic infrastructure	E								3,000		
Improve asset management	Financially sound and sustainable municipality	F								2,000		
Provision of quality public transport infrastructure including roads and storm-water	Integrated human settlements and strategic infrastructure	G								2,422		
Internal Funded Projects		H								7,261	8,430	8,810
Provision of quality public transport infrastructure including roads and storm-water	Integrated human settlements and strategic infrastructure	I									2,500	5,000
Improve asset management	Financially sound and sustainable municipality	J									9,000	
Provision of quality public transport infrastructure including roads and storm-water	Integrated human settlements and strategic infrastructure	K									4,448	
Provision of quality public transport infrastructure including roads and storm-water	Integrated human settlements and strategic infrastructure	L									3,000	
Provision of quality public transport infrastructure including roads and storm-water	Integrated human settlements and strategic infrastructure	M									2,910	2,200
Provision of quality public transport infrastructure including roads and storm-water	Integrated human settlements and strategic infrastructure	N										5,000
Provision of quality public transport infrastructure including roads and storm-water	Integrated human settlements and strategic infrastructure	O										2,900
Provision of quality public transport infrastructure including roads and storm-water	Integrated human settlements and strategic infrastructure	P										7,925
Other				42,545	89,418	26,169	40,172	42,231	42,231			
Allocations to other priorities			3									
Total Capital Expenditure			1	42,545	89,418	26,169	40,172	42,231	42,231	29,924	31,789	33,335

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

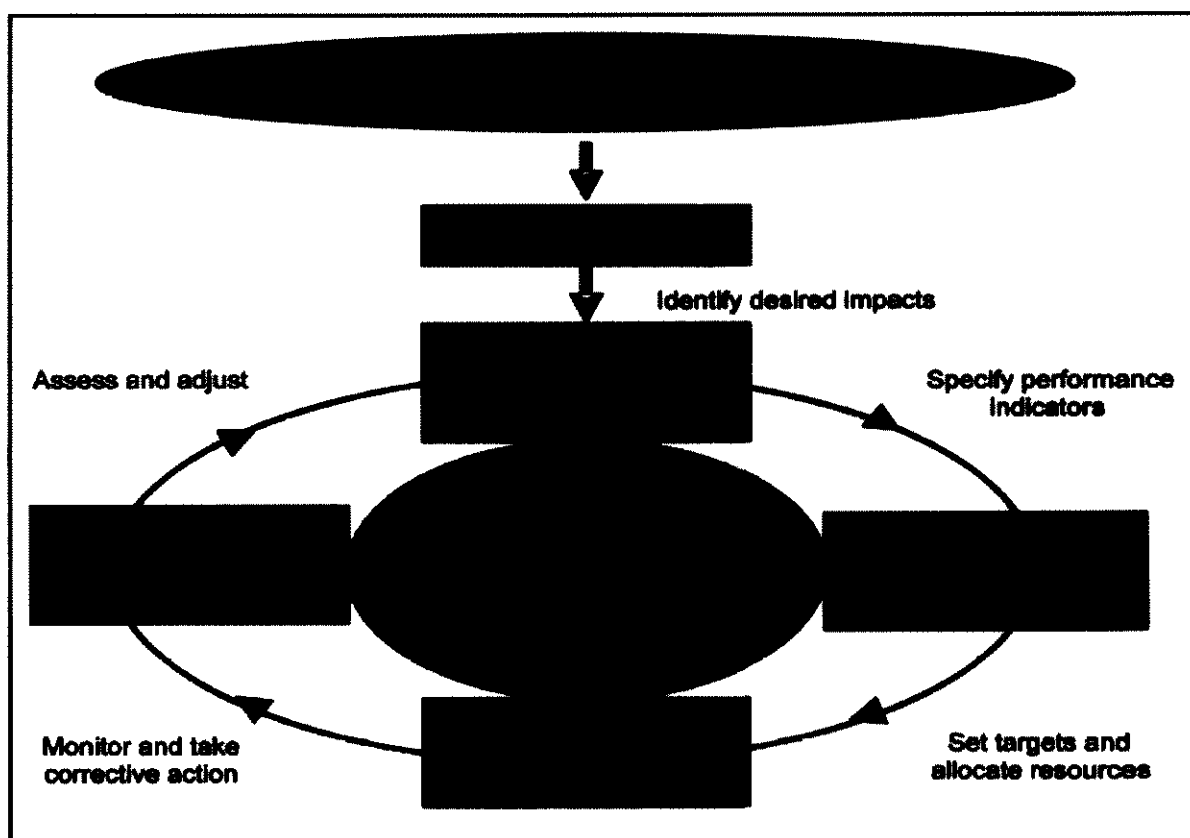


Figure 1 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting

stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

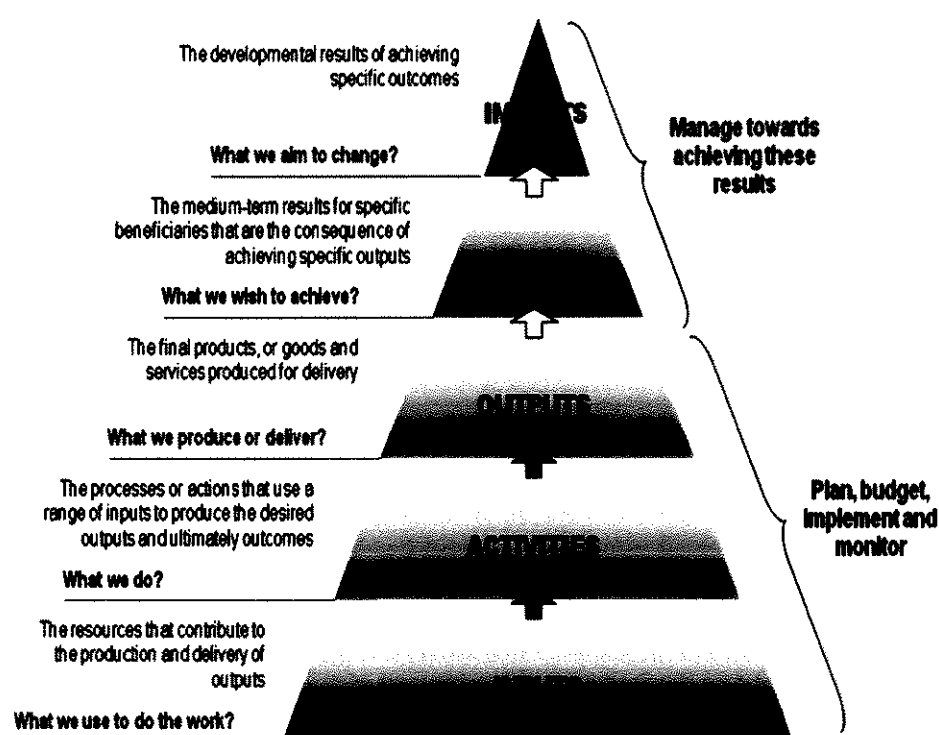


Figure 2 Definition of performance information concepts

Table 25 MBRR Table SA7 - Measurable performance objectives

The following table sets out the municipalities main performance objectives and benchmarks for the 2020/2021 MTREF.

Table 26 MBRR Table SA8 - Performance indicators and benchmarks

KZN222 uMgungu - Supporting Table SA8 Performance indicators and benchmarks

KZN22											
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2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, uMngeni Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2020/2021 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has steadily increased from 2.7 per cent in 2016/2017 to 3.4 per cent in 2020/2021. It is estimated that the cost of borrowing as a percentage of the operating expenditure will reach 3.2 per cent in 2020/21 and will then decrease to 2.8 per cent at the end of the MTREF. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality has reached its prudential borrowing limits.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is nil per cent.

The Municipality's debt profile provides some interesting insights on the Municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2020/2021 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

2.3.1.2 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2020/2021 MTREF the current ratio is 2.3 in the 2021/20202 financial year and 2.4 and 2.3 for the two outer years of the MTREF. Going forward it will be necessary to increase these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2020/2021 financial year the ratio was 0.5 and as part of the financial planning strategy it has been increased to 0.6 in the 2019/2020 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the

Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.1.3 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

2.3.1.4 Other Indicators

The electricity distribution losses have decreased downwards from 35 per cent in the 2020/2021 financial year to 26 per cent in 2021/2022. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services.

For the 2020/2021 financial year 2813 registered indigents have been provided for in the budget with this figured increasing to 2813 by 2020/2021. In terms of the Municipality's indigent policy registered households are entitled to 100 kwh of electricity and free waste removal for all properties with a value of up to R200 000 as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 21 MBRR A10 (Basic Service Delivery Measurement) on page 58.

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

The following budget-related policies have been approved by Council, or have been reviewed or amended and/or are currently being reviewed/amended in line with National Guidelines and other legislation.

2.4.1 Budget Policy

2.4.2 Supply Chain Management Policy

2.4.3 Rates Policy

2.4.4 Tariff Policy

- 2.4.5 Credit Control & Debt Collection Policy
- 2.4.6 Subsistence & Travel Policy
- 2.4.7 Leave Policy
- 2.4.8 Human Resources Training & Development Policy.
- 2.4.9 Virement Policy
- 2.4.10 Funding and Reserves Policy
- 2.4.11 Cash Management and Investment Policy
- 2.4.12 Overtime Policy
- 2.4.13 Organisational Performance Management Policy
- 2.4.14 Social Housing Policy
- 2.4.15 Asset Management Policy
- 2.4.16 Indigent Policy

The promulgation of the Municipal Budget and Reporting Regulations in Government Gazette No. 32141 dated 17 April 2009 is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirement for insuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the MFMA.

These regulations are effective for all Municipalities from 1 July 2010 and the budget has been compiled accordingly to be in full compliance from 1 July 2010.

In terms of section 7 of these regulations the Municipal Manager must prepare, or take all reasonable steps to ensure the preparation of the budget-related policies of the municipality, or any amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21(1)(b) of the Act.

2.4.1 BUDGET POLICY

The budget policy is there to assist Mayors, Councillors, Accounting Officers and Senior Managers in dealing with the changes brought about by the Municipal Finance Management Act No 56 of 2003. This policy provides a framework within which Senior Management can compile, control and review budgets of their respective departments to ensure effective financial management

2.4.2 SUPPLY CHAIN MANAGEMENT POLICY

Municipalities are required in terms of section 111 of the MFMA to have a supply chain management policy.

This policy is within the framework of the relevant legislation and regulations. The policy ascribes to the following principles:

- a. A procurement system which is fair, equitable, transparent, competitive and cost-effective in terms of section 217 of the Constitution of South Africa No. 108 of 1996
- b. As enshrined in Chapter 11 of the Municipal Finance Management Act and its regulations
- c. Best practices in supply chain management
- d. Uniformity in supply chain management systems between organs of state in all spheres
- e. Broad Based Black Economic Empowerment

2.4.3 RATES POLICY

Section 5(1) of the Municipal Property Rates Act, No. 6 of 2004 states that a municipal council must annually review, and if necessary, amend its rates policy. Any amendments must accompany the municipality's annual budget when it is tabled in the Council. The policy is designed to ensure equitable treatment by Council in the levying of rates on property owners, including owners under sectional title, as well as other persons who may become liable for the payment of rates.

2.4.4 TARIFF POLICY

The Municipal Systems Act, No 32 of 2000, requires a municipality to have a tariff determination policy. The challenge in setting tariffs lies in striking a balance between maintaining financial sustainability of the relevant departments (and so the sustainability of service provision) and ensuring affordability of those services by consumers. The municipality's tariff policy provides a broad framework where the Council can determine fair, transparent and affordable service charges that also promote sustainability of service provision. The policy is based on principles that address the social, economic and financial imperatives that the process of tariff setting should take account of.

2.4.5 CREDIT CONTROL & DEBT COLLECTION POLICY

The municipality's credit control and debt collection policy provides the procedures and mechanisms for credit control and for the collection of debts. The primary objective of this policy is to ensure that all monies due and payable to the municipality in respect of rates, fees for services, surcharges on such fees, charges, tariffs, interest which has accrued on any amounts due and payable in respect of the foregoing and any collection charges are collected efficiently and promptly.

2.4.6 SUBSISTANCE AND TRAVEL POLICY

The purpose of this policy is to determine guidelines for Councillors and officials for the payment of travelling and subsistence allowances when performing official functions on behalf of the Municipality.

2.4.7 LEAVE POLICY

The leave policy for uMngeni Municipality was adopted by Council in January 2009 and the goal is to ensure that the services rendered by this municipality to the Community are efficient, effective and uninterrupted.

The objections are as follows:

- (i) Ensure continuity in operational requirements of the organisation while other employees are on leave.
- (ii) To develop a better understanding regarding leave policy and procedure.
- (iii) Ensure the development of clearly written administrative policy and procedure.
- (iv) To ensure proper and accurate record keeping.
- (v) To ensure that the private and confidential information is maintained.
- (vi) Ensure that leave policy respond effectively to crisis and emergency situations.

2.4.8 HUMAN RESOURCE TRAINING AND DEVELOPMENT POLICY

This policy deals with the process whereby people acquire the necessary knowledge and skills to perform delegated tasks. The objective is to ensure that the municipality is served by professional, competent, and productive employees who will have, through continuous improvement in skills and attitude facilitated by the Training Division, distinguish themselves of being capable of delivering high quality services to all people in an endeavour to achieve the municipal strategic objectives.

2.4.9 VIREMENT POLICY

This policy's objective is to allow flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

2.4.10 FUNDING AND RESERVES POLICY

The funding and reserves policy is aimed at ensuring that the municipality procures sufficient and cost effective funding in order to achieve its capital expenditure objectives in an optimum manner. The policy is adhered to in the procurement of funding for the municipality having due regard to the assets and liability maturity profile of the municipality.

2.4.11 CASH MANAGEMENT AND INVESTMENT POLICY

Section 13(2) of the MFMA requires that a municipality have a policy dealing with cash management and investment. The municipality's cash management and investment policy is developed within the framework of the MFMA.

2.4.12 OVERTIME POLICY

This policy is to ensure that a clear policy guideline is established for all employees of the municipality for working overtime and performing standby duties.

2.4.13 ORGANISATIONAL PERFORMANCE MANAGEMENT POLICY

The Performance Management System (PMS) is aimed at:

Providing Guidelines on the effective implementation and maintenance of a single and uniform performance management process within uMngeni Municipality;

Ensuring that every employee's output is optimized in terms of quality and quantity, thereby improving uMngeni Municipality's overall performance and service delivery;

Ensuring that individual employee performance is evaluated fairly and objectively;

Ensuring that categories of performance that exceed expectations are recognized, and;

Also ensuring that categories of performance that do not meet expectations are managed.

2.4.14 SOCIAL HOUSING POLICY

The objectives of this Social Housing Policy for uMngeni Municipality are as follows;

To address the housing backlog in the uMngeni municipal area

To ensure that housing beneficiaries are given a choice in respect of the housing types that will suite their life styles and requirements

To facilitate the development and rejuvenation of the town of Howick through social housing development

uMngeni Municipality also intends to facilitate the institution of a Social Housing Company that will be responsible for driving and championing social housing projects within the Municipal area through the social housing policy

This policy seeks to address the imbalances of the past which were a result of the promulgation of policies under the apartheid regime that granted specifically located land for racial segregation as such policies were also determining the urban landscape.

The acceptance of this policy by uMngeni Municipality's EXCO will enable the Municipality and other role-players in the social housing sector to work co-operatively towards improving and upgrading the municipal infrastructure in the identified restructuring zones so that new social housing projects have easy access to services as per Chapter 2, section 5 (iii) of the Social Housing Policy,2006.

To ensure access to funding for social housing development is not interrupted by a lack of policy framework within the municipal structure/municipality

The policy is intended to create an enabling environment for the Municipality to enter into performance agreements with social housing institutions that will be responsible for the overall management of social housing stock within uMngeni Municipality

All the above policies are available at the Municipal Offices in Howick, Hilton, Mpophomeni and Howick West, all the libraries in Howick, Howick West, Hilton and Mpophomeni as well as on the municipality's website www.umngeni.gov.za.

2.4.15 ASSET MANAGEMENT POLICY

The objectives of this policy are:

- To ensure the effectiveness and efficient control, utilisation, safeguarding and strategic property management of municipality's immovable property (property, plant and equipment).
- To ensure asset managers (property managers) are aware of their responsibilities with regards to property, plant and equipment.
- To set out standards of physical management, recording and internal controls to ensure property, plant and equipment are safeguarded against inappropriate loss or utilisation.
- To specify the process required before expenditure on property, plant equipment occurs.
- To emphasize a culture of transparency and accountability over assets.
- To ensure compliance with all legislative, policies, by laws and accounting prescriptions and requirements.

2.4.16 Travel Allowance Policy

- The objectives of the scheme are to provide for the following:
Uniform guidelines, conditions and limitations in terms of which the scheme be run in order to restrict differences.
- To compensate employees in a fair and reasonable manner for the utilization of private travel in the execution of official duties.

2.5 Overview of budget assumptions

2.5.1 External factors

The South African economy has averaged about 2.5 per cent growth a year since 2010. Against the background of the slowdown in the global economy.

A recovery of up to 2.5 per cent and 3.0 per cent growth in 2020 and 2021 is expected, but these are modest rates of expansion relative to the social and developmental challenges we face and the opportunities that our mineral wealth and human capabilities offer.

There was a welcome recovery in job creation during 2011, but unemployment has not yet returned to its 2008 peak and the unemployment rate remains high at 27 per cent.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2019/2020 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 30% per cent of total operating expenditure in the 2020/2021 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC has been concluded with the municipal workers unions and must be noted.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The Municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2020/2021 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2020/2021 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

2.5.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (88 per cent) of annual billings. Cash flow is assumed to be 88 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.5 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.6 Salary increases

The Salary and Wage Collective agreement for the period 01 July 2018 to 30 June 2021 has been used as a guide for Salary Increase.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.7 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2020/2021 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 27 Breakdown of the operating revenue over the medium-term

Description	Adjustments Budget Year 2019/2020	Budget Year 2020/2021	%	Budget Year 2021/2022	%	Budget Year 2022/2023
Revenue By Source						
Property rates	207,358,861	216,897,370.00	48%	226,874,648.00	48%	237,310,882.00
Service charges - electricity revenue	100,059,537	106,250,884.00	24%	111,763,395.00	24%	121,616,368.00
Service charges - refuse revenue	6,897,728	7,215,024.00	2%	7,546,915.00	2%	7,894,073.00
Rental of facilities and equipment	1,151,256	1,204,213.00	0%	1,259,608.00	0%	1,317,550.00
Interest earned - external investments	2,105,243	2,202,084.00	0%	2,303,379.00	0%	2,409,335.00
Interest on outstanding debtors	10,962,375	11,466,644.00	3%	11,994,110.00	3%	12,545,839.00
Fines, Penalties and Forfeits	22,368	23,397.00	0%	24,473.00	0%	25,599.00
Licences and permits	4,863,542	5,087,264.00	1%	5,321,279.00	1%	5,566,058.00
Transfers recognised - operational	82,931,504	90,075,450.00	20%	95,971,400.00	20%	104,341,800.00
Other revenue	6,926,584	7,245,212.00	2%	7,578,494.00	2%	7,927,111.00
NET OPERATING INCOME	423,278,998.00	447,667,542.00	100%	470,637,701.00	100%	500,954,615.00

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity, solid waste removal, property rates, operating grants from organs of state and other minor charges (such as building plan fees, licenses, fines and permits etc.).

The revenue strategy is a function of key components such as:

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 90 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Energy Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2020/2021 MTREF on the different revenue categories are:

Table 28 Proposed tariff increases over the medium-term

Revenue category	2016/17 proposed tariff increase	2017/18 proposed tariff increase	2018/19 proposed tariff increase	2018/19 additional revenue for each % tariff increase	2019/20 additional revenue owing to % tariff increase	2020/21 additional revenue owing to % tariff increase
	%	%	%	R'000	R'000	R'000
Property rates	6	6	6	R7.400	R7.750	R8.130
Solid Waste	6	6	6	R6.300	R6.640	R6.965
Electricity	8	8	8	R7.400	R7.750	R8.234
Total	20	20	20	R21.000	R22.000	R 23.00

Revenue to be generated from property rates is R216, 8 million in the 2020/2021 financial year and increases to R 226, 8 million by 2021/2022 which represents 48 per cent of the operating revenue base of the Municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

There are no outstanding objections and appeals, The Valuations Appeals Board has dealt with during the 2020/2021 MTREF. As the levying of property rates is considered a strategic revenue source further monthly reviews processes will be undertaken in the 2020/2021MTREF. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting. The new valuation roll has been done in terms of Municipal Property Rates Act in July 2015 and implemented accordingly.

Services charges relating to electricity and refuse removal constitutes the second biggest component of the revenue basket of the Municipality totalling R 113, 4 million for the 2020/2021 financial year and increasing to R 119, 3 million by 2021/2022. For the 2020/2021 financial year services charges amount to 26 per cent of the total revenue base and remains at 26, 0 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity.

Operational grants and subsidies amount to R 90, 0 million, R 95, 9 million and R 104, 3 million for each of the respective financial years of the MTREF. The percentage of the total operational grants and transfers in relation to the total operating revenue is distorted owing to the high increases in revenue relating to services charges.

It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2020/2021 medium-term capital programme:

Table 29 Sources of capital revenue over the MTREF

Funded by:											
National Government		15,866	23,379	18,787	32,337	35,196	35,196	8,000	21,764	23,369	24,525
Provincial Government		-	10,181	6,001	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	15,866	33,560	24,788	32,337	35,196	35,196	8,000	21,764	23,369	24,525
Public contributions & donations	5	-	18,643	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		26,579	37,214	1,381	7,835	7,035	7,035	217	7,261	8,430	8,810
Total Capital Funding	7	42,545	89,418	26,169	40,172	42,231	42,231	8,217	29,024	31,799	33,335

Capital grants and receipts equates to 75 per cent of the total funding source which represents R 29,0 million for the 2020/2021 financial year.

As explained earlier, the borrowing capacity of the Municipality has essentially reached its limits and going forward borrowing limits will remain constant.

The following table is a detailed analysis of the Municipality's borrowing liability.

Table 30 MBRR Table SA 17 - Detail of borrowings

KZN222 uMngeni - Supporting Table SA17 Borrowing

KZN22 Unspent - Supporting Table GAT1 Borrowing										
Borrowing - Categorised by type	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Parent municipality										
Annuity and Bullet Loans		26,977	23,670	16,893	17,106	16,893	16,893	15,073	10,540	5,813
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	26,977	23,670	16,893	17,106	16,893	16,893	15,073	10,540	5,813
Entities										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	26,977	23,670	16,893	17,106	16,893	16,893	15,073	10,540	5,813
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R 7,2 *million*.

Table 31 MBRR Table SA 18 – Operating and Capital transfers and grant receipts

KZN222 uMngeni - Supporting Table SA18 Transfers and grant receipts										
Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework	
A	Amount		Actual Outcomes	Actual Outcomes	Actual Outcomes	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/21	Budget Year +1 2021/22
RECEIPTS:			1, 2							
Operating Transfers and Grants										
National Government:										
Operational Revenue: General Revenue/Equitable Share				67,664	62,448	71,811	77,839	77,839	77,839	66,361
Operational Revenue: General Revenue/Fuel Levy				49,328	54,438	60,241	67,048	67,048	67,048	73,306
2014 Adjusted National Government: Host City Operating Grant (Schedule 5B)				-	-	-	-	-	-	-
Agriculture Research and Technology				-	-	-	-	-	-	-
Agriculture, Conservation and Environmental				-	-	-	-	-	-	-
Arts and Culture Sustainable Resource Management				-	-	-	-	-	-	-
Community Library				-	-	-	-	-	-	-
Department of Environmental Affairs				-	-	-	-	-	-	-
Department of Tourism				-	-	-	-	-	-	-
Department of Water Affairs and Sanitation: Macbambane				-	-	-	-	-	-	-
Emergency Medical Services				-	-	-	-	-	-	-
Energy Efficiency and Demand-side (Schedule 5B)				-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities (Schedule 5B)				1,517	1,000	1,000	1,000	1,000	1,000	1,000
EV and Aids				-	-	-	-	-	-	-
Housing Association				-	-	-	-	-	-	-
Housing Top structure				-	-	-	-	-	-	-
Infrastructure Skills Development Grant (Schedule 5B)				-	-	-	-	-	-	-
Integrated City Development Grant				-	-	-	-	-	-	-
KwaZulu-Limpopo Urban Renewal				-	-	-	-	-	-	-
Local Government Financial Management Grant (Schedule 5B)				1,541	1,064	1,770	1,770	1,770	1,770	1,770
Ministry's Main Urban Renewal				-	-	-	-	-	-	-
Municipal Education and Transport Grant (Schedule 5B)				-	-	-	-	-	-	-
Municipal Disaster Grant (Schedule 5B)				-	-	-	-	-	-	-
Municipal Human Settlements Capacity Grant (Schedule 5B)				-	-	-	-	-	-	-
Municipal Systems Improvement Grant				-	-	-	-	-	-	-
National Resource Management Project				-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant				-	-	-	-	-	-	-
Operation Grant: Audit				-	-	-	-	-	-	-
Municipal Disaster Recovery Grant				-	-	-	-	-	-	-
Public Services Improvement Facility				-	-	-	-	-	-	-
Public Transport Network Operations Grant (Schedule 5B)				-	-	-	-	-	-	-
Rehabilitating - Road Funding				-	-	-	-	-	-	-
Revenue Management Grant Districts: Road				-	-	-	-	-	-	-
Road Road Asset Management Systems Grant				-	-	-	-	-	-	-
Sport and Recreation				-	-	-	-	-	-	-
Tourism: Income: Arts: Music				-	-	-	-	-	-	-
Water Services Operating Subsidy Grant (Schedule 5B)				-	-	-	-	-	-	-
Health Hygiene in Informal Settlements				-	-	-	-	-	-	-
Municipal Infrastructure Grant (Schedule 5B)				-	-	-	1,702	1,702	1,702	1,749
Water Services Infrastructure Grant				-	-	-	-	-	-	-
Public Transport Network Grant (Schedule 5B)				-	-	-	-	-	-	-
Smart Connect Grant				-	-	-	-	-	-	-
Urban Settlement Development Grant				-	-	-	-	-	-	-
WIFI Grant (Department of Telecommunications and Postal Services)				-	-	-	-	-	-	-
Street Lighting				-	-	-	-	-	-	-
Traditional Leaders - Initiative				-	-	-	-	-	-	-
Department of Water and Sanitation: Water: Living Handbook				-	-	-	-	-	-	-
Integrated Informal Settlements Programme Grant				6,000	6,000	6,000	6,000	6,000	6,000	6,000
Municipal Rehabilitation Grant				-	-	-	-	-	-	-
Regional Risk Infrastructure Grant				-	-	-	-	-	-	-
Municipal Emergency Housing Grant				-	-	-	-	-	-	-
Multi-Informal Settlements Partnership Grant				-	-	-	-	-	-	-
Provincial Government:				3,212	3,225	4,629	5,145	5,412	5,412	4,674
Capacity Building				-	-	-	-	-	-	-
Capacity Building and Other				-	-	-	-	-	-	-
Disaster and Emergency Services				-	-	-	-	-	-	-
Health				-	-	-	-	-	-	-
Housing				-	-	-	-	-	-	-
Institutions				-	-	-	-	-	-	-
Libraries, Archives and Museums				2,501	3,325	2,606	6,144	6,412	6,412	4,674
Other				12	-	271	-	-	-	-
Public Transport				-	-	-	-	-	-	-
Road Infrastructure - Maintenance				-	-	-	-	-	-	-
Sports and Recreation				-	-	-	-	-	-	-
Water Infrastructure - Maintenance				-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance				-	-	-	-	-	-	-
District Municipality:				-	-	-	-	-	-	-
All Grants				-	-	-	-	-	-	-
Other Grant Providers:				-	-	-	-	-	-	-
Departmental Agencies and Accounts				-	-	-	-	-	-	-
Foreign Government and International Organisations				-	-	-	-	-	-	-
Household				-	-	-	-	-	-	-
Non-Profit Institutions				-	-	-	-	-	-	-
Public Enterprises				-	-	-	-	-	-	-
Public Corporations				-	-	-	-	-	-	-
Higher Educational Institutions				-	-	-	-	-	-	-
Private Municipality / Entity				-	-	-	-	-	-	-
Transfer from Operational Revenue				-	-	-	-	-	-	-
Total Operating Transfers and Grants			3	91,187	66,776	78,231	86,684	86,685	86,685	99,979
Capital Transfers and Grants										
National Government:										
Integrated Informal Settlements Programme (Municipal Grant) (Schedule 5B)				19,282	23,379	19,787	22,227	22,126	22,126	21,794
Municipal Infrastructure Grant (Schedule 5B)				16,896	22,111	19,787	22,227	22,126	22,126	21,794
Neighbourhood Development Partnership Grant (Schedule 5B)				-	-	-	-	-	-	-
Public Transport Infrastructure Grant (Schedule 5B)				-	-	-	-	-	-	-
Road Infrastructure Infrastructure Grant (Schedule 5B)				-	-	-	-	-	-	-
Road Road Asset Management Systems Grant (Schedule 5B)				-	-	-	-	-	-	-
Urban Settlement Development Grant (Schedule 5B)				-	-	-	-	-	-	-
Municipal Human Settlements				-	-	-	-	-	-	-
Community Library				-	-	-	-	-	-	-
Integrated City Development Grant (Schedule 5B)				-	-	-	-	-	-	-
Municipal Disaster Recovery Grant (Schedule 5B)				-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management Grant				-	-	-	-	-	-	-
Khaya Lutho: Urban Renewal				-	-	-	-	-	-	-
Local Government Financial Management Grant (Schedule 5B)				-	-	-	-	-	-	-
Municipal Systems Improvement Grant (Schedule 5B)				-	-	-	-	-	-	-
Public Transport Network Grant (Schedule 5B)				-	-	-	-	-	-	-
Public Transport Network Operations Grant (Schedule 5B)				-	-	-	-	-	-	-
Regional Risk Infrastructure Grant (Schedule 5B)				-	-	-	-	-	-	-
Water Services Infrastructure Grant (Schedule 5B)				-	-	-	-	-	-	-
WIFI Connectivity				-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities (Schedule 5B)				-	-	-	-	-	-	-
Agriculture Project				-	-	-	-	-	-	-
Integrated Skills Development Grant (Schedule 5B)				-	-	-	-	-	-	-
Rehabilitating Road Funding				-	-	-	-	-	-	-
Municipal Disaster Relief Grant				-	-	-	-	-	-	-
Municipal Emergency Housing Grant				-	-	-	-	-	-	-
Multi-Informal Settlements Partnership Grant				-	-	-	-	-	-	-
Integrated Urban Development Grant				-	-	-	-	-	-	-
Provincial Government:				16,181	16,680	9,782	-	-	-	-
Capacity Building				-	-	-	-	-	-	-
Capacity Building and Other				16,680	16,680	9,782	-	-	-	-
Disaster and Emergency Services				-	-	-	-	-	-	-
Health				-	-	-	-	-	-	-
Housing				-	-	-	-	-	-	-
Institutions				-	-	-	-	-	-	-
Libraries, Archives and Museums				-	-	-	-	-	-	-
Other				12	-	271	-	-	-	-
Public Transport				-	-	-	-	-	-	-
Road Infrastructure				-	-	-	-	-	-	-
Sports and Recreation				-	-	-	-	-	-	-
Water Infrastructure				-	-	-	-	-	-	-
Water Supply Infrastructure				-	-	-	-	-	-	-
District Municipality:				-	-	-	-	-	-	-
All Grants				-	-	-	-	-	-	-
Other Grant Providers:				-	-	-	-	-	-	-
Departmental Agencies and Accounts				-	-	-	-	-	-	-
Foreign Government and International Organisations				-	-	-	-	-	-	-
Household				-	-	-	-	-	-	-
Non-Profit Institutions				-	-	-	-	-	-	-
Public Enterprises				-	-	-	-	-	-	-
Public Corporations				-	-	-	-	-	-	-
Higher Educational Institutions				-	-	-	-	-	-	-
Private Municipality / Entity				-	-	-	-	-	-	-
Transfer from Operational Revenue				-	-	-	-	-	-	-
Total Capital Transfers and Grants			3	36,047	33,458	29,570	32,227	32,126	32,126	31,794
TOTAL RECEIPTS OF TRANSFERS & GRANTS				127,234	100,234	107,801	118,911	118,811	118,811	131,773

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 32 MBRR Table A7 - Budget cash flow statement

KZN222 uMngeni - Table A7 Budgeted Cash Flows

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
			181,185	187,431	190,155	185,738	186,623	186,623	133,209	195,207	204,187	213,580
			68,180	69,773	73,941	96,729	96,262	96,262	62,108	102,128	107,369	116,570
			16,789	11,243	9,116	10,705	14,862	14,862	11,584	15,524	16,255	17,005
	1		61,197	65,857	75,231	82,684	81,673	81,673	53,621	90,075	95,970	104,340
	1		26,047	33,438	28,579	32,337	32,337	32,337	18,000	21,764	23,359	24,525
			4,176	1,928	12,967	10,659	11,971	11,971	1,010	12,558	13,200	13,660
			-	-	-	-	-	-	-	-	-	-
Payments												
			(374,012)	(285,656)	(347,234)	(386,115)	(373,172)	(373,172)	(238,202)	(395,365)	(415,726)	(443,504)
			(4,154)	(2,635)	(2,334)	(5,993)	(2,570)	(2,570)	(1,073)	(2,686)	(2,812)	(2,941)
	1		0	-	-	(2,805)	(360)	(360)	(667)	(377)	(394)	(412)
NET CASH FROM/(USED) OPERATING ACTIVITIES			(20,612)	61,378	41,442	43,829	47,815	47,815	39,600	38,825	41,429	43,824
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
			(4,285)	472	-	-	-	-	-	-	-	-
			-	-	(146)	-	-	-	-	-	-	-
			28,364	3,631	-	-	(3,646)	(3,646)	-	-	-	-
Payments												
			(29)	(70,774)	(25,153)	(46,172)	(42,231)	(42,231)	(6,826)	(29,024)	(31,789)	(33,335)
NET CASH FROM/(USED) INVESTING ACTIVITIES			24,041	(66,672)	(25,306)	(46,172)	(45,878)	(45,878)	(6,826)	(29,024)	(31,789)	(33,335)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
			3,139	(18,727)	-	-	-	-	-	-	-	-
			139	-	978	-	-	-	-	-	-	-
			-	-	152	-	3,891	(161)	120	(756)	(825)	(900)
Payments												
			(2,824)	(2,978)	(3,149)	(3,124)	(4,127)	(4,127)	(1,643)	(2,822)	(4,387)	(6,295)
NET CASH FROM/(USED) FINANCING ACTIVITIES			454	(21,705)	(2,019)	(3,124)	(236)	(4,288)	(1,523)	(3,578)	(5,212)	(7,195)
NET INCREASE/ (DECREASE) IN CASH HELD			3,884	(6,999)	13,124	533	1,702	(2,350)	29,251	6,223	4,428	2,494
	2		6,796	10,679	11,963	3,691	25,255	25,255	25,255	19,254	25,476	29,904
	2		10,680	3,681	25,109	4,213	26,957	22,905	54,506	25,476	29,904	32,398

The above table shows that cash and cash equivalents of the Municipality have increased from between the 2016/2017 and 2018/2019 financial year moving from a positive cash balance of R10,6 million to R 25,1 million with the approved 2019/2020 MTREF. With the 2019/2020

adjustments budget various cost efficiencies and savings had to be realised to ensure the Municipality could meet its operational expenditure commitments. In addition the Municipality undertook an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the Municipality.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 33 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

KZN222 uMngeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available											
Cash/cash equivalents at the year end	1	10,680	3,681	25,109	4,213	26,957	22,905	54,506	25,476	29,904	32,398
Other current investments > 90 days		4,674	8,305	146	-	(7,704)	(3,651)	(11,548)	0	0	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		15,353	11,985	25,255	4,213	19,254	19,254	42,958	25,476	29,904	32,398
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	1,949	1,949	-	(1,731)	(1,501)	(1,490)
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(43,455)	(64,712)	11,022	(49,591)	(71,184)	(141,930)	(106,031)	(97,587)	(90,652)	(130,213)
Other provisions		-	-	125	9,823	9,823	9,823	-	10,275	10,748	11,242
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		(43,455)	(64,712)	11,147	(39,768)	(58,412)	(130,158)	(106,031)	(89,043)	(81,406)	(120,461)
Surplus(shortfall)		58,808	76,697	14,108	43,982	78,665	149,411	148,989	114,519	111,310	152,859

From the above table it can be seen that the cash and investments available total R25,4 million positive in the 2020/2021 financial year and progressively increases to R 29,9 million positively

by 2021/2022, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business.
- There are no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year-end obligations.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding

compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 34 MBRR SA10 – Funding compliance measurement

Total Operating Revenue		368,274	334,852	362,130	419,526	423,279	423,279	330,123	447,668	470,638	500,955
Total Operating Expenditure		362,664	304,228	366,749	419,455	423,089	423,089	283,367	447,578	470,341	500,631
Operating Performance Surplus/(Deficit)		(24,390)	(49,576)	(34,619)	71	190	190	46,756	90	297	324
Cash and Cash Equivalents 30 June 2012									25,476		
Revenue											
% Increase in Total Operating Revenue			(8.1%)	8.2%	15.8%	0.9%	0.0%	(22.0%)	5.8%	5.1%	6.4%
% Increase in Property Rates Revenue			8.7%	7.6%	8.5%	0.5%	0.0%	(17.6%)	4.6%	4.6%	4.6%
% Increase in Electricity Revenue			1.9%	5.6%	51.3%	(0.9%)	0.0%	(34.8%)	6.2%	5.2%	8.9%
% Increase in Property Rates & Services Charges			6.9%	7.2%	18.6%	0.1%	0.0%	(22.9%)	5.1%	4.8%	6.0%
Expenditure											
% Increase in Total Operating Expenditure			(2.1%)	3.3%	5.7%	0.9%	0.0%	(33.0%)	5.8%	5.1%	6.4%
% Increase in Employee Costs			16.3%	3.5%	11.9%	1.9%	0.0%	(24.5%)	9.1%	6.7%	6.8%
% Increase in Electricity Bulk Purchases			7.1%	2.5%	14.8%	(6.1%)	0.0%	(26.1%)	6.9%	5.2%	8.9%
Average Cost Per Budgeted Employee Position (Remuneration)			0	0	0	0	0	0	0	0	0
Average Cost Per Councillor (Remuneration)			0	0	0	0	0	0	0	0	0
RAM % of PPE		2.9%	4.4%	1.9%	2.7%	2.0%	2.0%	1.7%	1.7%	1.9%	1.9%
Asset Renewal and RAM as a % of PPE		3.0%	4.0%	1.0%	5.0%	3.0%	3.0%	2.0%	2.0%	2.0%	3.0%
Debt Impairment % of Total Billable Revenue		20.8%	8.8%	6.4%	0.2%	6.2%	0.2%	0.0%	0.2%	0.2%	0.2%
Capital Revenue											
Internally Funded & Other (R000)		26,670	55,857	1,301	7,635	7,035	7,035	217	7,261	8,430	8,810
Borrowing (R000)		-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R000)		15,665	33,580	24,788	32,337	35,196	35,196	8,000	21,754	23,359	24,525
Internally Generated Funds % of Non Grant Funding		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding		37.3%	37.5%	84.7%	80.5%	83.3%	83.3%	97.4%	75.0%	73.5%	73.8%
Capital Expenditure											
Total Capital Programme (R000)		42,545	88,418	26,189	40,172	42,231	42,231	8,217	29,024	31,789	33,335
Asset Renewal		-	-	-	11,000	11,000	11,000	-	-	-	-
Asset Renewal % of Total Capital Expenditure		0.0%	0.0%	0.0%	27.4%	26.0%	26.0%	0.0%	0.0%	0.0%	0.0%
Cash											
Cash Receipts % of Rate Payer & Other		87.3%	100.5%	96.0%	87.5%	88.0%	88.0%	80.5%	86.0%	86.0%	86.1%
Cash Coverage Ratio		0	0	0	0	0	0	0	0	0	0
Borrowing											
Credit Rating (2009/10)									0		
Capital Charges to Operating		1.8%	1.5%	1.4%	2.2%	1.6%	1.6%	1.3%	1.2%	1.5%	1.8%
Borrowing Receipts % of Capital Expenditure		0.5%	0.0%	70.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves											
Surplus/(Deficit)		58,808	76,697	14,106	43,982	78,665	149,411	148,989	75,666	59,199	105,519
Free Services											
Free Basic Services as a % of Equitable Share		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)		17.3%	22.5%	23.3%	19.4%	18.8%	18.8%	18.7%	18.6%	18.4%	
High Level Outcome of Funding Compliance											
Total Operating Revenue		368,274	334,852	362,130	419,526	423,279	423,279	330,123	447,668	470,638	500,955
Total Operating Expenditure		362,664	304,228	366,749	419,455	423,089	423,089	283,367	447,578	470,341	500,631
Surplus/(Deficit) Budgeted Operating Statement		(24,390)	(49,576)	(34,619)	71	190	190	46,756	90	297	324
Surplus/(Deficit) Considering Reserves and Cash Backing		58,808	76,697	14,106	43,982	78,665	149,411	148,989	75,666	59,199	105,519
MTREF Funded (Y) / Unfunded (N)	15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MTREF Funded ✓ / Unfunded ✗	15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

2.6.5.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 19. The reconciliation is intended to

be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. As part of the 2020/21 MTREF the municipalities decreasing cash position causes the ratio to move to 0.1 and then decreases to (0.7) for the outer years. As indicated above the Municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 0, 0 and 0 per cent for the respective financial year of the 2020/2021 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 4,9per cent, with the increase in electricity at 8,1 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on 90 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 0.3, 0.3 and 0.3 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 0 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both

measures show a relatively stable trend in line with the Municipality's policy of settling debtor's accounts within 30 days.

2.6.5.12 *Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 55 MBRR.

2.6.5.13 *Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

2.7 Expenditure on transfers and grants programmes

Table 35 MBRR SA19 - Expenditure on transfers and grant programmes

KZN222 uMngeni - Supporting Table SA19 Expenditure on transfers and grant programmes										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
EXPENDITURE										
Operating expenditures of Transfers and Grants										
National Government:		87,884	82,442	71,911	77,880	77,838	77,820	84,591	91,830	99,878
Operational Revenue General Revenue/Sustainable Share		48,308	54,488	50,541	57,048	57,048	57,048	73,598	80,821	87,809
Operational Revenue General Revenue Fuel Levy		-	-	-	-	-	-	-	-	-
2014 African Nations Championship Host City Operating Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Agriculture Research and Technology		-	-	-	-	-	-	-	-	-
Agriculture, Conservation and Environmental		-	-	-	-	-	-	-	-	-
Arts and Culture Sustainable Resource Management		-	-	-	-	-	-	-	-	-
Community Library		-	-	-	-	-	-	-	-	-
Department of Environmental Affairs		-	-	-	-	-	-	-	-	-
Department of Tourism		-	-	-	-	-	-	-	-	-
Department of Water Affairs and Sanitation Metropolitan		-	-	-	-	-	-	-	-	-
Emergency Medical Service		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side (Schedule 5B)		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities (Schedule 5B)		1,917	1,000	1,000	1,000	1,000	1,000	1,000	-	-
HIV and Aids		-	-	-	-	-	-	-	-	-
Housing Accreditation		-	-	-	-	-	-	-	-	-
Housing Top structure		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
KhayaSibisi Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant (Schedule 5B)		1,341	1,084	1,770	1,770	1,770	1,770	1,700	1,770	1,770
Mitchell's Open Urban Renewal		-	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Municipal Disaster Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Municipal Human Settlement Capacity Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Natural Resource Management Project		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Operation Clean Audit		-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		-	-	-	-	-	-	-	-	-
Public Service Improvement Facility		-	-	-	-	-	-	-	-	-
Public Transport Network Operations Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Restructuring - Seed Funding		-	-	-	-	-	-	-	-	-
Revenue Enhancement Grant Disaster Book		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Sport and Recreation		-	-	-	-	-	-	-	-	-
Terrestrial Invertebrate Alien Plants		-	-	-	-	-	-	-	-	-
Water Services Operating Subsidy Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Health Hygiene in Informal Settlements		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant (Schedule 5B)		-	-	-	1,708	1,708	1,708	1,488	1,888	1,881
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Public Transport Network Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Smart Contract Grant		-	-	-	-	-	-	-	-	-
Urban Settlement Development Grant		-	-	-	-	-	-	-	-	-
WIFI Grant (Department of Telecommunications and Postal Services)		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Traditional Leaders - Inclusion		-	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living Handbook		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Municipal Restructuring Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		3,813	3,813	4,288	5,144	5,412	5,412	4,874	4,491	4,872
Provincial Government:										
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		3,201	3,388	3,828	4,144	5,412	5,412	4,874	4,491	4,872
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Other		32	-	371	-	-	-	-	-	-
Public Transport		-	-	-	-	-	-	-	-	-
Road Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
Sports and Recreation		-	-	-	-	-	-	-	-	-
Waste Water Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
Disaster Municipality:										
All Grants		-	-	-	-	-	-	-	-	-
Other Grant Providers:										
Departmental Agencies and Accounts		-	-	-	-	-	-	-	-	-
Foreign Government and International Organizations		-	-	-	-	-	-	-	-	-
Households		-	-	-	-	-	-	-	-	-
Non-profit Institutions		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		61,197	66,778	75,291	82,884	82,982	82,882	84,579	91,971	104,542
Capital expenditures of Transfers and Grants										
National Government:		18,895	20,275	19,787	22,287	22,188	22,188	21,784	20,888	24,888
Integrated National Electrification Programme (Municipal Grant) (Schedule 5B)		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant (Schedule 5B)		18,895	20,275	19,787	22,287	22,188	22,188	21,784	20,888	24,888
Municipal Water Infrastructure Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Public Transport Infrastructure Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Rural Household Infrastructure Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Urban Settlement Development Grant (Schedule 4B)		-	-	-	-	-	-	-	-	-
Municipal Human Settlement		-	-	-	-	-	-	-	-	-
Community Library		-	-	-	-	-	-	-	-	-
Integrated City Development Grant (Schedule 4B)		-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant (Schedule 4B)		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
KhayaSibisi Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Public Transport Network Operations Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
WIFI Connectivity		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities (Schedule 5B)		-	-	-	-	-	-	-	-	-
Aquaculture Project		-	-	-	-	-	-	-	-	-
Recreation Settlement		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Restructuring Seed Funding		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		16,181	16,288	9,788	-	-	-	-	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		10,088	10,088	9,788	-	-	-	-	-	-
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Other		122	-	-	-	-	-	-	-	-
Public Transport		-	-	-	-	-	-	-	-	-
Road Infrastructure		-	-	-	-	-	-	-	-	-
Sports and Recreation		-	-	-	-	-	-	-	-	-
Waste Water Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Disaster Municipality:										
All Grants		-	-	-	-	-	-	-	-	-
Other Grant Providers:										
Departmental Agencies and Accounts		-	-	-	-	-	-	-	-	-
Foreign Government and International Organizations		-	-	-	-	-	-	-	-	-
Households		-	-	-	-	-	-	-	-	-
Non-profit Institutions		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		35,076	36,563	29,575	22,287	22,188	22,188	21,784	20,888	24,888
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		97,273	103,341	104,866	105,171	105,170	105,076	106,363	112,859	129,430

Table 36 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

KZN222 uMngeni - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	284	-	-	-	-	-	-	-
Current year receipts		57,984	62,442	71,011	77,520	77,520	77,520	85,201	91,520	99,670
Conditions met - transferred to revenue		57,984	62,726	71,011	77,520	77,520	77,520	85,201	91,520	99,670
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		1,020	885	266	-	-	-	-	-	-
Current year receipts		2,194	2,164	3,954	5,144	5,412	5,412	4,874	4,451	4,672
Conditions met - transferred to revenue		3,213	3,049	4,220	5,144	5,412	5,412	4,874	4,451	4,672
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue		61,197	65,775	75,231	82,664	82,932	82,932	90,075	95,971	104,342
Total operating transfers and grants - CTBII	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		15,866	23,379	19,787	32,337	35,196	35,196	21,764	23,359	24,525
Conditions met - transferred to revenue		15,866	23,379	19,787	32,337	35,196	35,196	21,764	23,359	24,525
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	10,181	5,001	-	-	-	-	-	-
Conditions met - transferred to revenue		-	10,181	5,001	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue		15,866	33,560	24,788	32,337	35,196	35,196	21,764	23,359	24,525
Total capital transfers and grants - CTBII	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		77,063	99,335	100,019	115,001	118,128	118,128	111,839	119,330	128,867

2.8 Councillor and employee benefits

Table 37 MBRR SA22 - Summary of councillor and staff benefits

KZN222 uMngeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages	1	7,901	8,914	8,707	6,339	6,313	6,315	6,603	6,607	7,225
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	1,327	2,113	2,104	2,104	2,201	2,302	2,408
Cellphone Allowance		-	-	826	1,006	997	997	1,043	1,091	1,141
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	63	85	81	81	85	89	93
Sub Total - Councillors		7,901	8,914	8,713	9,542	9,495	9,495	9,932	10,389	10,967
% Increase	4		12.6%	(2.3%)	9.6%	(0.5%)	-	4.6%	4.6%	4.6%
Senior Managers of the Municipality										
Basic Salaries and Wages	2	6,436	6,316	6,594	8,070	8,641	8,641	6,734	7,071	7,426
Pension and UIF Contributions		-	-	-	10	10	10	11	11	12
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	653	1,136	947	947	994	1,048	1,104
Cellphone Allowance	3	-	-	84	80	98	98	114	114	114
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	0	1	3	3	3	3	3
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6,436	6,316	6,328	7,908	8,668	8,668	7,858	8,247	8,658
% Increase	4		(1.6%)	0.2%	16.4%	(8.3%)	-	17.3%	5.0%	5.0%
Other Municipal Staff										
Basic Salaries and Wages		50,756	55,354	60,450	67,150	67,984	67,984	74,185	79,184	84,575
Pension and UIF Contributions		11,202	12,043	11,443	13,089	13,322	13,322	14,385	15,392	16,498
Medical Aid Contributions		4,863	5,000	5,325	5,004	5,637	5,637	6,275	6,716	7,185
Overtime		5,020	5,993	6,971	7,182	8,370	8,370	8,894	9,516	10,182
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	3,627	3,896	3,896	4,361	4,817	4,817	5,424	5,803	6,210
Cellphone Allowance	3	315	312	289	316	329	329	348	324	324
Housing Allowances	3	653	616	460	533	412	412	485	530	567
Other benefits and allowances	3	6,034	7,197	7,586	6,745	6,655	6,655	6,971	7,458	7,981
Payments in lieu of leave		-	-	-	1,203	2,077	2,077	2,207	2,352	2,527
Long service awards		-	-	843	337	304	304	323	346	370
Post-retirement benefit obligations	6	-	6,763	6,067	6,763	6,821	6,821	7,035	7,525	8,055
Sub Total - Other Municipal Staff		83,376	94,136	101,799	113,643	118,828	118,828	128,543	135,158	144,444
% Increase	4		17.7%	3.7%	11.7%	2.6%	-	8.6%	6.0%	6.9%
Total Parent Municipality		97,705	113,364	116,830	130,611	132,721	132,721	144,321	153,794	163,989
			16.0%	3.1%	11.7%	1.7%	-	8.7%	6.8%	6.6%
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% Increase	4		-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% Increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% Increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		97,705	113,368	116,830	130,611	132,721	132,721	144,321	153,794	163,989
% Increase	4		16.0%	3.1%	11.7%	1.7%	-	8.7%	6.8%	6.6%
TOTAL MANAGERS AND STAFF	5.7	89,805	104,461	106,127	120,988	123,226	123,226	134,366	143,406	153,102

KZN222 uMngeni - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

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Table 39 MBRR SA24 – Summary of personnel numbers

KZN222 uMngeni - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2018/19			Current Year 2019/20			Budget Year 2020/21		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			-	23	-	-	23	-	-	23	-
Board Members of municipal entities	4		-	-	-	-	-	-	-	-	-
Municipal employees											
Municipal Manager and Senior Managers	5		-	-	-	-	-	-	-	-	-
Other Managers	3		-	5	-	-	5	-	-	6	-
Professionals	7		-	21	-	-	21	-	-	21	-
Finance			-	64	-	-	65	-	-	67	-
Spatial/town planning			-	58	-	-	58	-	-	58	-
Information Technology			-	4	-	-	4	-	-	4	-
Roads			-	1	-	-	2	-	-	4	-
Electricity			-	-	-	-	-	-	-	-	-
Water			-	1	-	-	1	-	-	1	-
Sanitation			-	-	-	-	-	-	-	-	-
Refuse			-	-	-	-	-	-	-	-	-
Other			-	-	-	-	-	-	-	-	-
Technicians			-	9	-	-	9	-	-	12	-
Finance			-	-	-	-	-	-	-	-	-
Spatial/town planning			-	-	-	-	-	-	-	-	-
Information Technology			-	-	-	-	-	-	-	-	-
Roads			-	9	-	-	9	-	-	12	-
Electricity			-	-	-	-	-	-	-	-	-
Water			-	-	-	-	-	-	-	-	-
Sanitation			-	-	-	-	-	-	-	-	-
Refuse			-	-	-	-	-	-	-	-	-
Other			-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)			-	86	-	-	86	-	-	86	-
Service and sales workers			-	19	-	-	19	-	-	19	-
Skilled agricultural and fishery workers			-	-	-	-	-	-	-	-	-
Craft and related trades			-	10	-	-	10	-	-	10	-
Plant and Machine Operators			-	3	-	-	3	-	-	5	-
Elementary Occupations			-	150	-	-	150	-	-	150	-
TOTAL PERSONNEL NUMBERS	9		-	390	-	-	391	-	-	399	-
% increase			-	-	-	-	0.3%	-	-	2.0%	-
Total municipal employees headcount	6, 10		-	-	-	-	-	-	-	-	-
Finance personnel headcount	8, 10		-	-	-	-	-	-	-	-	-
Human Resources personnel headcount	8, 10		-	-	-	-	-	-	-	-	-

2.9 Monthly targets for revenue, expenditure and cash flow

Table 40 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN222 uMngeni - Supporting Table SA25 Budgeted monthly revenue and expenditure

R thousand	Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source																	
	Property rates		18,075	18,075	18,075	18,075	18,075	18,075	18,075	18,075	18,075	18,075	18,075	18,075	216,887	226,075	237,311
	Service charges - electricity revenue		8,854	8,854	8,854	8,854	8,854	8,854	8,854	8,854	8,854	8,854	8,854	8,854	106,251	111,763	121,616
	Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Service charges - refuse revenue		601	601	601	601	601	601	601	601	601	601	601	601	7,215	7,547	7,894
	Rent of facilities and equipment		100	100	100	100	100	100	100	100	100	100	100	100	1,204	1,260	1,318
	Interest earned - external investments		184	184	184	184	184	184	184	184	184	184	184	184	2,202	2,303	2,409
	Interest earned - outstanding debtors		956	956	956	956	956	956	956	956	956	956	956	956	11,467	11,994	12,546
	Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Fines, penalties and forfeits		2	2	2	2	2	2	2	2	2	2	2	2	23	24	26
	Licences and permits		424	424	424	424	424	424	424	424	424	424	424	424	5,087	5,321	5,566
	Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transfers and subsidies		7,506	7,506	7,506	7,506	7,506	7,506	7,506	7,506	7,506	7,506	7,506	7,506	90,075	96,971	104,342
	Other revenue		604	604	604	604	604	604	604	604	604	604	604	604	7,245	7,578	7,927
	Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Revenue (excluding capital transfers and contributions)		37,306	37,306	37,306	37,306	37,306	37,306	37,306	37,306	37,306	37,306	37,306	37,306	447,648	470,638	500,955
Expenditure By Type																	
	Employee related costs		11,200	11,200	11,200	11,200	11,200	11,200	11,200	11,200	11,200	11,200	11,200	11,200	134,399	143,405	153,102
	Remuneration of councillors		828	828	828	828	828	828	828	828	828	828	828	828	9,932	10,369	10,867
	Debt impairment		65	65	65	65	65	65	65	65	65	65	65	65	775	810	847
	Depreciation & asset impairment		2,966	2,966	2,966	2,966	2,966	2,966	2,966	2,966	2,966	2,966	2,966	2,966	35,586	37,223	38,936
	Finance charges		224	224	224	224	224	224	224	224	224	224	224	224	2,688	2,812	2,941
	Bulk purchases		10,083	10,083	10,083	10,083	10,083	10,083	10,083	10,083	10,083	10,083	10,083	10,083	120,997	127,289	138,618
	Other materials		98	98	98	98	98	98	98	98	98	98	98	98	1,178	1,119	1,171
	Contracted services		6,486	6,486	6,486	6,486	6,486	6,486	6,486	6,486	6,486	6,486	6,486	6,486	77,828	81,074	84,878
	Transfers and subsidies		252	252	252	252	252	252	252	252	252	252	252	252	3,028	3,167	3,313
	Other expenditure		5,097	5,097	5,097	5,097	5,097	5,097	5,097	5,097	5,097	5,097	5,097	5,097	61,166	63,052	65,958
	Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenditure		37,298	37,298	37,298	37,298	37,298	37,298	37,298	37,298	37,298	37,298	37,298	37,298	447,578	470,341	500,831
Surplus/(Deficit)																	
	Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		8	8	8	8	8	8	8	8	8	8	8	8	90	297	324
	Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	21,764	23,359	24,525
	Transfers and subsidies - capital (in-kind - all contributions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Share of surplus / (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Surplus/(Deficit)	1	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,819	21,853	23,656	24,848

Table 41 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN222, uMngeni - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

R thousand	Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
			23,638	23,638	23,638	23,638	23,638	23,638	23,638	23,638	23,638	23,638	23,638	23,638	283,659	286,551	315,968
	Revenue by Vote																
	Vote 1 - Executive and Council		389	389	389	389	389	389	389	389	389	389	389	389	4,671	4,877	5,020
	Vote 2 - Finance		120	120	120	120	120	120	120	120	120	120	120	120	1,443	1,509	1,578
	Vote 3 - Corporate Services		476	476	476	476	476	476	476	476	476	476	476	476	5,716	5,979	6,254
	Vote 4 - Planning Services		832	832	832	832	832	832	832	832	832	832	832	832	9,988	9,800	10,267
	Vote 5 - Community Services		13,663	13,663	13,663	13,663	13,663	13,663	13,663	13,663	13,663	13,663	13,663	13,663	163,955	172,280	186,492
	Vote 6 - Technical Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Revenue by Vote		38,119	38,119	38,119	38,119	38,119	38,119	38,119	38,119	38,119	38,119	38,119	38,120	469,431	493,996	525,480
	Expenditure by Vote to be appropriated																
	Vote 1 - Executive and Council		3,945	3,945	3,945	3,945	3,945	3,945	3,945	3,945	3,945	3,945	3,945	3,945	47,338	48,878	52,557
	Vote 2 - Finance		5,492	5,492	5,492	5,492	5,492	5,492	5,492	5,492	5,492	5,492	5,492	5,492	65,904	69,402	73,022
	Vote 3 - Corporate Services		3,961	3,961	3,961	3,961	3,961	3,961	3,961	3,961	3,961	3,961	3,961	3,961	47,528	50,084	52,794
	Vote 4 - Planning Services		1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,462	17,537	18,615	19,777
	Vote 5 - Community Services		3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,602	43,215	45,288	48,144
	Vote 6 - Technical Services		18,838	18,838	18,838	18,838	18,838	18,838	18,838	18,838	18,838	18,838	18,838	18,839	226,056	237,091	254,347
	Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenditure by Vote		37,296	37,296	37,296	37,296	37,296	37,296	37,296	37,296	37,296	37,296	37,296	37,300	447,578	470,341	500,631
	Surplus/(Deficit) before assoc.		1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,819	21,853	23,656	24,849
	Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Surplus/(Deficit)		1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,819	21,853	23,656	24,849

Table 42 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN222 ulingeni - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Revenue - Functional																
Governance and administration		24,211	24,211	24,211	24,211	24,211	24,211	24,211	24,211	24,211	24,211	24,211	24,211	290,331	305,664	322,203
Executive and council		4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	4,608	55,295	60,662	66,011
Finance and administration		19,603	19,603	19,603	19,603	19,603	19,603	19,603	19,603	19,603	19,603	19,603	19,603	235,236	245,003	256,191
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		449	449	449	449	449	449	449	449	449	449	449	449	5,394	4,995	5,241
Community and social services		399	399	399	399	399	399	399	399	399	399	399	399	4,785	4,976	5,221
Sport and recreation		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Public safety		1	1	1	1	1	1	1	1	1	1	1	1	17	18	18
Housing		49	49	49	49	49	49	49	49	49	49	49	49	590	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807	33,887	35,862	37,609
Planning and development		475	475	475	475	475	475	475	475	475	475	475	475	5,703	5,965	6,239
Road transport		2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	27,986	29,897	31,369
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		11,850	11,850	11,850	11,850	11,850	11,850	11,850	11,850	11,850	11,850	11,850	11,850	139,805	147,441	160,413
Energy sources		10,377	10,377	10,377	10,377	10,377	10,377	10,377	10,377	10,377	10,377	10,377	10,377	124,521	131,036	142,882
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	15,284	16,404	17,531
Other		1	1	1	1	1	1	1	1	1	1	1	1	14	14	15
Total Revenue - Functional		39,119	39,119	39,119	39,119	39,119	39,119	39,119	39,119	39,119	39,119	39,119	39,120	469,431	493,906	525,480
Expenditure - Functional																
Governance and administration		15,119	15,119	15,119	15,119	15,119	15,119	15,119	15,119	15,119	15,119	15,119	15,120	181,429	190,215	200,480
Executive and council		3,774	3,774	3,774	3,774	3,774	3,774	3,774	3,774	3,774	3,774	3,774	3,774	45,286	47,884	50,211
Finance and administration		11,174	11,174	11,174	11,174	11,174	11,174	11,174	11,174	11,174	11,174	11,174	11,175	134,090	140,337	147,923
Internal audit		171	171	171	171	171	171	171	171	171	171	171	171	2,053	2,194	2,346
Community and public safety		3,271	3,271	3,271	3,271	3,271	3,271	3,271	3,271	3,271	3,271	3,271	3,271	39,251	41,044	43,642
Community and social services		1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	12,253	12,864	13,555
Sport and recreation		1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	12,567	13,422	14,335
Public safety		1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	12,565	13,396	14,296
Housing		165	165	165	165	165	165	165	165	165	165	165	166	1,866	1,963	2,066
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		2,887	2,887	2,887	2,887	2,887	2,887	2,887	2,887	2,887	2,887	2,887	2,887	34,641	37,280	39,853
Planning and development		1,381	1,381	1,381	1,381	1,381	1,381	1,381	1,381	1,381	1,381	1,381	1,381	16,570	17,621	18,755
Road transport		1,506	1,506	1,506	1,506	1,506	1,506	1,506	1,506	1,506	1,506	1,506	1,506	18,071	19,659	20,198
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		15,941	15,941	15,941	15,941	15,941	15,941	15,941	15,941	15,941	15,941	15,941	15,941	191,290	200,807	216,534
Energy sources		13,045	13,045	13,045	13,045	13,045	13,045	13,045	13,045	13,045	13,045	13,045	13,045	156,543	164,108	177,768
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		313	313	313	313	313	313	313	313	313	313	313	313	3,753	4,009	4,283
Waste management		2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583	30,994	32,690	34,483
Other		81	81	81	81	81	81	81	81	81	81	81	81	987	994	1,022
Total Expenditure - Functional		37,298	37,298	37,298	37,298	37,298	37,298	37,298	37,298	37,298	37,298	37,298	37,300	447,578	470,341	500,631
Surplus/(Deficit) before assoc.		1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,819	1,819	21,853	23,666	24,849
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,819	1,819	21,853	23,666	24,849

Table 43 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN222 uMngeni - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and Council		16	16	16	16	16	16	16	16	16	16	16	16	187	197	206
Vote 2 - Finance		29	29	29	29	29	29	29	29	29	29	29	29	347	365	382
Vote 3 - Corporate Services		21	21	21	21	21	21	21	21	21	21	21	21	253	267	279
Vote 4 - Planning Services		12	12	12	12	12	12	12	12	12	12	12	12	142	149	156
Vote 5 - Community Services		27	27	27	27	27	27	27	27	27	27	27	27	319	336	351
Vote 6 - Technical Services		168	168	168	168	168	168	168	168	168	168	168	168	2,012	3,617	21,738
Vote 7 - NAME OF VOTE 7		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - NAME OF VOTE 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - NAME OF VOTE 9		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - NAME OF VOTE 10		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - NAME OF VOTE 11		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - NAME OF VOTE 12		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - NAME OF VOTE 13		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - NAME OF VOTE 14		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - NAME OF VOTE 15		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	272	272	272	272	272	272	272	272	272	272	272	272	3,261	4,930	23,110
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance		487	487	487	487	487	487	487	487	487	487	487	487	5,842	9,000	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Planning Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		333	333	333	333	333	333	333	333	333	333	333	333	4,000	5,000	5,225
Vote 6 - Technical Services		1,327	1,327	1,327	1,327	1,327	1,327	1,327	1,327	1,327	1,327	1,327	1,327	15,922	12,859	5,000
Vote 7 - NAME OF VOTE 7		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - NAME OF VOTE 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - NAME OF VOTE 9		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - NAME OF VOTE 10		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - NAME OF VOTE 11		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - NAME OF VOTE 12		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - NAME OF VOTE 13		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - NAME OF VOTE 14		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - NAME OF VOTE 15		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147	25,764	26,059	10,225
Total Capital Expenditure	2	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	28,024	31,789	33,335

Table 44 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

KZN222 ulingeni - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description		Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure - Functional		1	66	66	66	66	66	66	66	66	66	66	66	66	78	83	86
Governance and administration			16	16	16	16	16	16	16	16	16	16	16	16	18	19	20
Executive and council			50	50	50	50	50	50	50	50	50	50	50	50	60	63	66
Finance and administration			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal audit			847	847	847	847	847	847	847	847	847	847	847	847	10,161	14,336	5,576
Community and public safety			513	513	513	513	513	513	513	513	513	513	513	513	6,161	9,336	351
Community and social services			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety			333	333	333	333	333	333	333	333	333	333	333	333	4,000	5,000	5,225
Housing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health			1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	16,323	10,781	18,466
Economic and environmental services			12	12	12	12	12	12	12	12	12	12	12	12	142	149	156
Planning and development			1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	16,181	10,632	18,311
Road transport			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection			146	146	146	146	146	146	146	146	146	146	146	146	1,753	5,844	8,427
Trading services			146	146	146	146	146	146	146	146	146	146	146	146	1,753	3,344	3,427
Energy sources			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional		2	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	28,024	31,789	33,335
Funded by:																	
National Government			1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	21,764	23,359	24,525
Provincial Government			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital			1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	21,764	23,359	24,525
Public contributions & donations			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds			805	805	805	805	805	805	805	805	805	805	805	805	7,261	8,430	8,810
Total Capital Funding			2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	28,024	31,789	33,335

Table 45 MBRR SA30 - Budgeted monthly cash flow

KZN222 ulingeni - Supporting Table SA30 Budgeted monthly cash flow															
MONTHLY CASH FLOWS															
R thousand	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Receipts By Source															
Property rates	16,267	16,267	16,267	16,267	16,267	16,267	16,267	16,267	16,267	16,267	16,267	16,267	16,267	204,167	213,590
Service charges - electricity revenue	7,984	7,984	7,984	7,984	7,984	7,984	7,984	7,984	7,984	7,984	7,984	7,984	96,805	100,764	105,417
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	527	527	527	527	527	527	527	527	527	527	527	527	6,323	6,624	7,162
Service charges - other	113	113	113	113	113	113	113	113	113	113	113	113	1,351	1,415	1,483
Rental of facilities and equipment	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	12,558	13,200	13,860
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	424	424	424	424	424	424	424	424	424	424	424	424	5,067	5,321	5,566
Agency services	7,506	7,506	7,506	7,506	7,506	7,506	7,506	7,506	7,506	7,506	7,506	7,506	90,075	96,970	104,340
Transfers and Subsidies - Operational	757	757	757	757	757	757	757	757	757	757	757	757	9,055	9,519	9,957
Other revenue	34,624	34,624	34,624	34,624	34,624	34,624	34,624	34,624	34,624	34,624	34,624	34,624	415,461	437,002	463,333
Cash Receipts by Source	34,624	34,624	34,624	34,624	34,624	34,624	34,624	34,624	34,624	34,624	34,624	34,624	415,461	437,002	463,333
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	21,764	23,359	24,525
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	63	63	63	63	63	63	63	63	63	63	63	63	(759)	(825)	(900)
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	36,501	36,501	36,501	36,501	36,501	36,501	36,501	36,501	36,501	36,501	36,501	36,501	436,499	459,538	486,941
Cash Payments by Type															
Employee related costs	11,200	11,200	11,200	11,200	11,200	11,200	11,200	11,200	11,200	11,200	11,200	11,200	134,359	143,405	153,102
Remuneration of councillors	828	828	828	828	828	828	828	828	828	828	828	828	9,932	10,369	10,867
Finance charges	224	224	224	224	224	224	224	224	224	224	224	224	2,689	2,812	2,941
Bulk purchases - Electricity	10,063	10,063	10,063	10,063	10,063	10,063	10,063	10,063	10,063	10,063	10,063	10,063	120,997	127,289	133,618
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	96	96	96	96	96	96	96	96	96	96	96	96	1,178	1,119	1,171
Contracted services	6,486	6,486	6,486	6,486	6,486	6,486	6,486	6,486	6,486	6,486	6,486	6,486	77,826	81,074	84,878
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	31	31	31	31	31	31	31	31	31	31	31	31	377	394	412
Other expenditure	5,097	5,097	5,097	5,097	5,097	5,097	5,097	5,097	5,097	5,097	5,097	5,097	61,030	62,450	64,888
Cash Payments by Type	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047	398,429	418,932	446,857
Other Cash Flows/Payments by Type															
Capital assets	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	28,024	31,789	33,335
Repayment of borrowing	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	(162)	2,822	4,387	6,295
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	34,314	34,314	34,314	34,314	34,314	34,314	34,314	34,314	34,314	34,314	34,314	34,314	430,278	455,108	488,487
NET INCREASE/DECREASE IN CASH HELD	187	187	187	187	187	187	187	187	187	187	187	187	46,271	4,430	2,454
Cash/cash equivalents at the month/year begin:	19,264	19,440	19,627	19,806	19,991	20,177	20,364	20,551	20,738	20,925	21,112	21,299	19,264	23,476	25,904
Cash/cash equivalents at the month/year end:	19,440	19,627	19,806	19,991	20,177	20,364	20,551	20,738	20,925	21,112	21,299	21,486	19,725	23,904	26,358

2.10 Annual budgets and Service Delivery Budget Implementation Plan – internal department

In terms of section 53(1)(c)(ii) the Mayor must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget.

2.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, the following contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

Table 47 MBRR SA32 – List of external mechanisms

KZN222 uMngeni - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract
		Number		
Rvenue Consulting (Pty) Ltd			Debt Collections	30 April 2023
Credit Intelligence (Pty)Ltd			Debt Collections	30 April 2023
Morkalo Revenue Solution (Pty) Ltd			Debt Collections	30 April 2023
BS Mabaso Attorneys			Litigation Matters	30 April 2023
Mbili Attorneys			Litigation Matters	30 April 2023
Siva Chetty Attorneys			Litigation Matters	30 April 2023
Strauss Attorneys			Litigation Matters	30 April 2023
Xaba Attorneys			Litigation Matters	30 April 2023
Thebzo Security Company			Security	30 June 2023
Financial Management System			Astra Travel Pietermaritzburg	30 June 2021
Astra Travel Pietermaritzburg			Travel Agents Services	30 June 2022
Wireless4U Pty Ltd			Radio for Traffic Officers	30 June 2021
KONICA Minolta Pty Ltd			Photocopy Services	30 June 2021
Knight Security Solutions			Monitoring of Alarm Systems	30 June 2021
Mills Fichet Pty Ltd			GV Roll and Maintenance and Supplementary GV Roll	30 June 2021
Fidelity Pty Ltd			Cash in-transit Services	30 June 2021
SA Post Office			Posting of Statements	30 June 2021
SAGE VIP			VIP System	30 June 2021
SUNLYN			Franking Machine for Registry	30 June 2021

2.11 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 48 MBRR SA 34a - Capital expenditure on new assets by asset class

KEN224 uMngeni - Supporting Table SA34a Capital expenditure on new assets by asset class											
R thousand	Description	Ref	2015/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Expenditure	Audited Expenditure	Audited Expenditure	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year 21/22	Budget Year 22/23
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			81,189	84,482	88,128	8,918	8,918	8,918	17,474	19,809	8,487
Roads Infrastructure			20,001	84,482	28,128	2,900	2,900	2,900	10,922	7,388	-
Roads			20,001	84,482	28,128	2,900	2,900	2,900	10,922	7,388	-
Road Structures			-	-	-	-	-	-	-	-	-
Road Furniture			-	-	-	-	-	-	-	-	-
Road Spans			-	-	-	-	-	-	-	-	-
Storm water Infrastructure			-	-	-	-	-	-	-	2,600	6,000
Drainage Collection			-	-	-	-	-	-	-	-	-
Storm water Conveyance			-	-	-	-	-	-	-	2,600	6,000
Attenuation			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			685	-	-	1,718	1,718	1,718	1,783	2,344	3,427
Power Plants			685	-	-	-	-	-	-	-	-
HV Substations			-	-	-	-	-	-	-	-	-
HV Switching Station			-	-	-	1,000	1,000	1,000	-	1,000	1,000
HV Transmission Conductors			-	-	-	-	-	-	-	-	-
MV Substations			-	-	-	-	-	-	-	-	-
MV Switching Stations			-	-	-	-	-	-	-	-	-
MV Networks			-	-	-	718	718	718	1,783	1,844	1,967
LV Networks			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Dams and Weirs			-	-	-	-	-	-	-	-	-
Reservoirs			-	-	-	-	-	-	-	-	-
Pump Stations			-	-	-	-	-	-	-	-	-
Water Treatment Works			-	-	-	-	-	-	-	-	-
Salt Works			-	-	-	-	-	-	-	-	-
Distribution			-	-	-	-	-	-	-	-	-
Distribution Points			-	-	-	-	-	-	-	-	-
PPV Stations			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Pump Station			-	-	-	-	-	-	-	-	-
Refineries			-	-	-	-	-	-	-	-	-
Waste Water Treatment Works			-	-	-	-	-	-	-	-	-
Outfall Sewers			-	-	-	-	-	-	-	-	-
Toilet Facilities			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Landfill Sites			-	-	-	-	-	-	-	-	-
Waste Transfer Stations			-	-	-	-	-	-	-	-	-
Waste Processing Facilities			-	-	-	-	-	-	-	-	-
Waste Drop-off Points			-	-	-	-	-	-	-	-	-
Waste Separation Facilities			-	-	-	-	-	-	-	-	-
Electricity Generation Facilities			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Rail Lines			-	-	-	-	-	-	-	-	-
Rail Structures			-	-	-	-	-	-	-	-	-
Rail Furniture			-	-	-	-	-	-	-	-	-
Drainage Collection			-	-	-	-	-	-	-	-	-
Storm water Conveyance			-	-	-	-	-	-	-	-	-
Attenuation			-	-	-	-	-	-	-	-	-
MV Substations			-	-	-	-	-	-	-	-	-
LV Networks			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Sea Pumps			-	-	-	-	-	-	-	-	-
Reverberators			-	-	-	-	-	-	-	-	-
Promenades			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Data Centres			-	-	-	-	-	-	-	-	-
Cable Layers			-	-	-	-	-	-	-	-	-
Distribution Layers			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Community Assets			-	18,834	-	18,187	18,834	18,834	8,834	8,834	-
Community Facilities			-	18,834	-	18,187	18,834	18,834	8,834	8,834	-
Halls			-	-	-	-	-	-	-	-	-
Centres			-	-	-	9,000	11,889	11,889	8,834	8,834	-
Cinemas			-	-	-	4,187	4,187	4,187	-	2,000	-
Genius/Care Centres			-	-	-	-	-	-	-	-	-
Funerary Buildings			-	-	-	-	-	-	-	-	-
Testing Stations			-	-	-	-	-	-	-	-	-
Museums			-	-	-	-	-	-	-	-	-
Galleries			-	-	-	-	-	-	-	-	-
Theatres			-	-	-	-	-	-	-	-	-
Libraries			-	-	-	-	-	-	-	-	-
Galleries/Cinema			-	18,834	-	-	-	-	-	-	-
Parks			-	-	-	-	-	-	-	-	-
Public Open Space			-	-	-	-	-	-	-	-	-
Nature Reserves			-	-	-	-	-	-	-	-	-
Public Abolition Facilities			-	-	-	-	-	-	-	-	-
Markets			-	-	-	-	-	-	-	-	-
Baths			-	-	-	-	-	-	-	-	-
Adaptors			-	-	-	-	-	-	-	-	-
Airports			-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities			-	-	-	-	-	-	-	-	-
Indoor Facilities			-	-	-	-	-	-	-	-	-
Outdoor Facilities			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Heritage Assets			14,884	-	-	-	-	-	-	-	-
Monuments			14,884	-	-	-	-	-	-	-	-
Historic Buildings			-	-	-	-	-	-	-	-	-
Works of Art			-	-	-	-	-	-	-	-	-
Conservation Areas			-	-	-	-	-	-	-	-	-
Other Heritage			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	8,834	8,834	8,834	8,834	8,834	8,834
Revenue Generating			-	-	-	-	-	-	-	-	-
Improved Property			-	-	-	-	-	-	-	-	-
Unimproved Property			-	-	-	8,000	8,000	8,000	4,000	6,000	8,238
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Improved Property			-	-	-	8,000	8,000	8,000	4,000	6,000	8,238
Unimproved Property			-	-	-	-	-	-	-	-	-
Other assets			8,875	8,750	888	-	-	-	-	-	-
Operational Buildings			8,875	8,750	888	-	-	-	-	-	-
Municipal Offices			-	-	-	1,218	1,218	1,218	1,208	1,208	1,608
Pay/Security Points			-	-	-	1,218	1,218	1,218	1,208	1,208	1,608
Building Plan Offices			-	-	-	-	-	-	-	-	-
Workshops			-	-	-	-	-	-	-	-	-
Yards			-	-	-	-	-	-	-	-	-
Stores			-	-	-	-	-	-	-	-	-
Laboratories			-	-	-	-	-	-	-	-	-
Training Centres			-	-	-	-	-	-	-	-	-
Manufacturing Plant			-	-	-	-	-	-	-	-	-
Docks			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
Staff Housing			-	-	-	-	-	-	-	-	-
Senior Housing			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Religious or Cultural Assets			-	-	-	-	-	-	-	-	-
Religious or Cultural Assets			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Services			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Water Rights			-	-	-	-	-	-	-	-	-
Electricity Licences			-	-	-	-	-	-	-	-	-
Solid Waste Licences			-	-	-	-	-	-	-	-	-
Computer Software and Applications			-	-	-	-	-	-	-	-	-
Local Settlement Software Applications			-	-	-	-	-	-	-	-	-
Unspecified			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	848	800	1,218	1,218	1,218	1,208	1,208	1,608
Furniture and Office Equipment			-	848	800	1,218	1,218	1,218	1,208	1,208	1,608
Machinery and Equipment			-	429	387	800	-	-	-	-	-
Machinery and Equipment			-	429	387	800	-	-	-	-	-
Transport Assets			-	1,675	-	-	-	-	-	-	-
Transport Assets			-	1,675	-	-	-	-	-	-	-
Land			-	-	-	-	-	-	-	-	-
Land			-	-	-	-	-	-	-	-	-
Sea, Marine and Non-Marine Assets			-	-	-	-	-	-	-	-	-
Sea, Marine and Non-Marine Assets			-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1		48,844	89,412	89,128	84,175	85,652	85,652	29,654	29,729	16,910

Table 49 MBRR SA34c - Repairs and maintenance expenditure by asset class

KEN222 uMngeni - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
R thousand	Description	Ref	Current Year 2018/19					2018/19 Medium Term Revenue & Expenditure Forecasts		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20
Repairs and maintenance expenditure by Asset Class/Sub-class										
	Infrastructure		18,892	27,198	18,892	18,927	18,927	18,927	18,128	18,588
	Roads Infrastructure		11,390	18,320	9,850	7,486	12,088	12,088	7,831	8,691
	Roads		11,390	18,320	9,850	7,486	11,851	11,851	7,884	8,425
	Road Structures		-	-	-	-	-	-	-	-
	Road Furniture		-	-	-	208	208	208	208	270
	Capital Spares		-	-	-	-	-	-	-	-
	Storm water Infrastructure		-	-	-	-	-	-	-	-
	Drainage Collection		-	-	-	-	-	-	-	-
	Storm water Conveyance		-	-	-	-	-	-	-	-
	Attenuation		-	-	-	-	-	-	-	-
	Electrical Infrastructure		6,080	6,810	6,734	6,661	6,661	6,661	7,302	7,658
	Power Plants		-	-	-	-	-	-	-	-
	MV Substations		-	-	-	-	-	-	-	-
	NV Switching Station		-	-	-	-	-	-	-	-
	NV Transmission Conductors		-	-	-	-	-	-	-	-
	MV Substations		-	-	-	-	-	-	-	-
	MV Switching Stations		-	-	-	-	-	-	-	-
	MV Networks		6,080	6,810	6,734	6,661	6,661	6,661	7,302	7,658
	LV Networks		-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-
	Water Supply Infrastructure		-	-	-	-	-	-	-	-
	Dams and Weirs		-	-	-	-	-	-	-	-
	Boreholes		-	-	-	-	-	-	-	-
	Reservoirs		-	-	-	-	-	-	-	-
	Pump Stations		-	-	-	-	-	-	-	-
	Water Treatment Works		-	-	-	-	-	-	-	-
	Bulk Mains		-	-	-	-	-	-	-	-
	Distribution		-	-	-	-	-	-	-	-
	Distribution Points		-	-	-	-	-	-	-	-
	PIV Stations		-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-
	Sewerage Infrastructure		-	-	-	-	-	-	-	-
	Pump Station		-	-	-	-	-	-	-	-
	Retreatment		-	-	-	-	-	-	-	-
	Waste Water Treatment Works		-	-	-	-	-	-	-	-
	Outlet Sewers		-	-	-	-	-	-	-	-
	Tower Facilities		-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-
	Landfill Sites		-	-	-	-	-	-	-	-
	Waste Transfer Stations		-	-	-	-	-	-	-	-
	Waste Processing Facilities		-	-	-	-	-	-	-	-
	Waste Drop-off Points		-	-	-	-	-	-	-	-
	Waste Separation Facilities		-	-	-	-	-	-	-	-
	Electricity Generation Facilities		-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-
	Rail Infrastructure		-	-	-	-	-	-	-	-
	Rail Lines		-	-	-	-	-	-	-	-
	Rail Structures		-	-	-	-	-	-	-	-
	Rail Furniture		-	-	-	-	-	-	-	-
	Drainage Collection		-	-	-	-	-	-	-	-
	Storm water Conveyance		-	-	-	-	-	-	-	-
	Attenuation		-	-	-	-	-	-	-	-
	MV Substations		-	-	-	-	-	-	-	-
	LV Networks		-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-
	Coastal Infrastructure		-	-	-	-	-	-	-	-
	Sea Pump		-	-	-	-	-	-	-	-
	Flare		-	-	-	-	-	-	-	-
	Revetments		-	-	-	-	-	-	-	-
	Promenades		-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-
	Data Centres		-	-	-	-	-	-	-	-
	Cable Layers		-	-	-	-	-	-	-	-
	Distribution Layers		-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-
	Community Assets		282	282	282	282	282	282	1,688	1,722
	Community Facilities		282	282	282	282	282	282	1,688	1,722
	Public		282	282	282	282	282	282	1,688	1,722
	Centres		-	-	-	-	-	-	-	-
	Clinics		-	-	-	-	-	-	-	-
	Clinics/Care Centres		-	-	-	-	-	-	-	-
	First Aid/Rescue Stations		-	-	-	-	-	-	-	-
	Testing Stations		-	-	-	-	-	-	-	-
	Musums		-	-	-	-	-	-	-	-
	Galleries		-	-	-	-	-	-	-	-
	Theatres		-	-	-	-	-	-	-	-
	Libraries		-	-	-	-	-	-	-	-
	Concerts/Concerts		-	-	-	-	-	-	-	-
	Parks		-	-	-	-	-	-	-	-
	Public Open Space		-	-	-	-	-	-	-	-
	Nature Reserves		-	-	-	-	-	-	-	-
	Public Abolition Facilities		-	-	-	-	-	-	-	-
	Markets		-	-	-	-	-	-	-	-
	Stalls		-	-	-	-	-	-	-	-
	Abolition		-	-	-	-	-	-	-	-
	Airports		-	-	-	-	-	-	-	-
	Taxi Rank/Bus Terminals		-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-
	Indoor Facilities		-	-	-	-	-	-	-	-
	Outdoor Facilities		-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-
	Heritage Assets		-	-	-	-	-	-	-	-
	Museums		-	-	-	-	-	-	-	-
	Historic Buildings		-	-	-	-	-	-	-	-
	Works of Art		-	-	-	-	-	-	-	-
	Conservation Areas		-	-	-	-	-	-	-	-
	Other Heritage		-	-	-	-	-	-	-	-
	Investment assets		-	-	-	-	-	-	-	-
	Revenue Generating		-	-	-	-	-	-	-	-
	Improved Property		-	-	-	-	-	-	-	-
	Unimproved Property		-	-	-	-	-	-	-	-
	Non-revenue Generating		-	-	-	-	-	-	-	-
	Improved Property		-	-	-	-	-	-	-	-
	Unimproved Property		-	-	-	-	-	-	-	-
	Other Assets		-	-	-	-	-	-	-	-
	Operational Buildings		-	-	-	-	-	-	-	-
	Municipal Offices		-	-	-	-	-	-	-	-
	Pay/Equity Points		-	-	-	-	-	-	-	-
	Building Plan Offices		-	-	-	-	-	-	-	-
	Workshops		-	-	-	-	-	-	-	-
	Yards		-	-	-	-	-	-	-	-
	Stores		-	-	-	-	-	-	-	-
	Laboratories		-	-	-	-	-	-	-	-
	Training Centres		-	-	-	-	-	-	-	-
	Manufacturing Plant		-	-	-	-	-	-	-	-
	Depots		-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-
	Housing		-	-	-	-	-	-	-	-
	Staff Housing		-	-	-	-	-	-	-	-
	Social Housing		-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-
	Biological or Cultural Assets		-	-	-	-	-	-	-	-
	Biological Assets		-	-	-	-	-	-	-	-
	Intangible Assets		-	-	-	-	-	-	-	-
	Services		-	-	-	-	-	-	-	-
	Licences and Rights		-	-	-	-	-	-	-	-
	Water Rights		-	-	-	-	-	-	-	-
	Effluent Licences		-	-	-	-	-	-	-	-
	Solid Waste Licences		-	-	-	-	-	-	-	-
	Computer Software and Applications		-	-	-	-	-	-	-	-
	Land Settlement Software Applications		-	-	-	-	-	-	-	-
	Unspecified		-	-	-	-	-	-	-	-
	Computer Equipment		-	-	-	-	-	-	-	-
	Computer Equipment		-	-	-	-	-	-	-	-
	Furniture and Office Equipment		2,486	2,486	2,486	2,486	2,486	2,486	2,486	2,486
	Furniture and Office Equipment		2,486	2,486	2,486	2,486	2,486	2,486	2,486	2,486
	Machinery and Equipment		-	-	-	-	-	-	-	-
	Machinery and Equipment		-	-	-	-	-	-	-	-
	Transport Assets		2,227	2,188	2,188	2,188	2,188	2,188	2,188	2,188
	Transport Assets		2,227	2,188	2,188	2,188	2,188	2,188	2,188	2,188
	Land		-	-	-	-	-	-	-	-
	Land		-	-	-	-	-	-	-	-
	Stock, Marine and Non-biological Assets		-	-	-	-	-	-	-	-
	Stock, Marine and Non-biological Assets		-	-	-	-	-	-	-	-
	Total Repairs and Maintenance Expenditure		55,928	54,554	55,927	51,127	55,775	55,775	55,775	55,928
	Ratio as a % of PPE		2.9%	2.9%	2.9%	2.7%	2.9%	2.9%	2.9%	2.9%
	Ratio as a % Discretionary Expenditure		0.7%	0.7%	0.7%	0.6%	0.7%	0.7%	0.7%	0.7%

Table 50 MBRR SA35 - Future financial implications of the capital budget

KZN222 uMngeni - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework		
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand				
Capital expenditure	1			
Vote 1 - Executive and Council		187	197	206
Vote 2 - Finance		347	365	382
Vote 3 - Corporate Services		6,095	9,267	279
Vote 4 - Planning Services		142	149	156
Vote 5 - Community Services		4,319	5,336	5,576
Vote 6 - Technical Services		17,934	16,476	26,738
Vote 7 - [NAME OF VOTE 7]		-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-
<i>List entity summary if applicable</i>				
Total Capital Expenditure		29,024	31,789	33,335
Future operational costs by vote	2			
Vote 1 - Executive and Council		47,151	49,681	52,351
Vote 2 - Finance		65,556	69,037	72,641
Vote 3 - Corporate Services		41,433	40,818	52,506
Vote 4 - Planning Services		17,396	18,467	19,621
Vote 5 - Community Services		38,896	39,933	42,568
Vote 6 - Technical Services		208,121	220,616	227,609
Vote 7 - [NAME OF VOTE 7]		-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-
<i>List entity summary if applicable</i>				
Total future operational costs		418,553	438,552	467,296
Future revenue by source	3			
Property rates		216,897	226,875	237,311
Service charges - electricity revenue		106,251	111,763	121,616
Service charges - water revenue		-	-	-
Service charges - sanitation revenue		-	-	-
Service charges - refuse revenue		7,215	7,547	7,894
Service charges - other		-	-	-
Rental of facilities and equipment		1,204	1,260	1,318
Interest earned - external investments		2,202	2,303	2,409
Interest earned - outstanding debtors		11,467	11,994	12,546
Dividends received		-	-	-
Fines, penalties and forfeits		23	24	26
Licences and permits		5,087	5,321	5,566
Agency services		-	-	-
Transfers and subsidies		90,075	95,971	104,342
Other revenue		7,245	7,578	7,927
Gains		-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		21,764	23,359	24,525
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-
<i>List entity summary if applicable</i>				
Total future revenue		469,431	493,996	525,480
Net Financial Implications		(21,853)	(23,656)	(24,849)

12/1/2020 **10:00 AM** **Supporting Table S135 Detailed credit ledger**

March 2020

Table 52 MBRR SA38 – Consolidated Detailed operational projects

K21222 ulingeni - Supporting Table SA38 Consolidated detailed operational projects

Municipal Ward/Operational project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2021/21 Medium Term Revenue & Expenditure Framework			Project information
										Achieved Outcomes 2019/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Riversand	4				6			5							Ward location
Parent municipality:															
List of operational projects grouped by Municipal Ward															
Expenditure-Operational Services-Operational Maintenance of Buildings and Facilities					No	Operational Buildings	Municipal Offices			614	1,052	1,748	1,203	1,910 /40	
Expenditure-Operational Services-Operational Maintenance of Unimproved Assets					Yes	Road Infrastructure	Roads			17,378	23,352	15,133	16,429	16,620 /40	
Expenditure-Operational Services-Operational Maintenance of Equipment					Yes	Machinery and Equipment	Capital Spares			0	28	101	106	111	
Expenditure-Operational Services-Operational Services Administration and Support Staff					Yes	Electrical Infrastructure	MP Networks			4,825	5,420	5,677	5,359	6,212	
Expenditure-Operational Services-Operational Services-Operational Disconnection Electricity					Yes	Electrical Infrastructure	MP Networks			6,000	6,000	6,000	6,000	9,000	
Parent operational expenditure	1											34,659	32,391	33,953	
Entity:															
List of operational projects grouped by Entity															
Entity A															
Water project A															
Entity B															
Electricity project B															
Entity Operational expenditure															
Total Operational expenditure										31,818	36,071	34,659	32,391	33,953	

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the Municipality has successfully employed and trained 5 interns through this programme and a majority of them were appointed either in uMngeni Municipality or other municipalities.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee was been established and was fully functional, however, all members have all since resigned. Their appointment will commence in the budgeted year 2020/21.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2020/2021 MTREF in June 2019 directly aligned and informed by the 2020/21 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

2.14 Other supporting documents

Table 52 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN222 uMngeni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Ref	Description	2016/17			2017/18			2018/19			Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome		Audited Outcome	Audited Outcome		Audited Outcome			Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
6	REVENUE ITEMS:																
	Property rates																
	Total Property Rates	162,511	176,700		176,700	250,676		250,676			284,766	284,766	264,766	164,138	276,934	289,673	302,968
	Less Revenue Foregone (for example, for example of revenue 97 of 2019/20)	-	-		-	80,520		80,520			56,380	57,367	57,367	(6,716)	60,037	62,769	65,687
	Net Property Rates	162,511	176,700		176,700	190,156		190,156			206,376	207,399	207,399	170,856	216,897	226,975	237,311
	Service charges - electricity revenue																
6	Total Service charges - electricity revenue	61,887	83,068		83,068	66,739		66,739			101,005	100,060	100,060	65,223	106,251	111,763	121,616
	Less Revenue Foregone (for example of 66,739 per household per month)	-	-		-	-		-			-	-	-	-	-	-	-
	Net Service charges - electricity revenue	61,887	83,068		83,068	66,739		66,739			101,005	100,060	100,060	65,223	106,251	111,763	121,616
	Service charges - water revenue																
	Total Service charges - water revenue	-	-		-	-		-			-	-	-	-	-	-	-
	Less Revenue Foregone (for example of 66,739 per household per month)	-	-		-	-		-			-	-	-	-	-	-	-
6	Net Service charges - water revenue	-	-		-	-		-			-	-	-	-	-	-	-
	Service charges - sanitation revenue																
	Total Service charges - sanitation revenue	-	-		-	-		-			-	-	-	-	-	-	-
	Less Revenue Foregone (for example of 66,739 per household per month)	-	-		-	-		-			-	-	-	-	-	-	-
	Net Service charges - sanitation revenue	-	-		-	-		-			-	-	-	-	-	-	-
	Service charges - refuse revenue																
6	Total refuse removal revenue	11,301	12,438		12,438	7,202		7,202			12,965	13,344	13,344	11,343	13,957	14,599	15,271
	Total landfill revenue	5,029	5,721		5,721	-		-			6,463	6,446	6,446	5,022	6,742	7,052	7,377
	Less Revenue Foregone (for example of 66,739 per household per month)	-	-		-	-		-			-	-	-	-	-	-	-
	Net Service charges - refuse revenue	6,273	6,717		6,717	7,202		7,202			6,472	6,898	6,898	6,321	7,215	7,547	7,894
	Other Revenue by source																
	Fuel Levy	-	-		-	-		-			-	-	-	-	-	-	-
3	Other Revenue	2,223	1,706		1,706	742		742			-	-	-	-	-	-	-
	Discontinued Operations	-	-		-	-		-			-	-	-	-	-	-	-
	Rent on Land	-	-		-	-		-			-	-	-	-	-	-	-
	Operational Revenue	604	571		571	571		571			562	562	562	200	586	615	643
	Intercompany/Parent-Subsidiary Transactions	-	-		-	-		-			-	-	-	-	-	-	-
	Surcharges and Taxes	9	24		24	24		24			32	65	65	42	67	71	74
	Sales of Goods and Rendering of Services	2,885	2,809		2,809	2,809		2,809			4,371	6,300	6,300	2,482	6,590	6,863	7,210
		-	80		80	-		-			-	-	-	-	-	-	-
	Total 'Other' Revenue	5,741	5,171		5,171	4,146		4,146			4,955	6,927	6,927	2,725	7,245	7,578	7,927
1																	

Table 52 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

SA1 Continued

Other Expenditure By Type																				
3	Collection costs	889	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Audit fees	8,435	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	General expenses	1,345	1,882	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Operating Leases	13,346	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Operational Cost	326	2,394	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Statutory Payments other than Income Taxes	54,335	73,120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Discontinued Operations	-	1,617	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total 'Other' Expenditure	78,676	78,823	74,823	52,598	56,194	56,194	56,194	56,194	56,194	56,194	56,194	56,194	56,194	56,194	56,194	56,194	56,194	56,194	56,194
8	by Expenditure Item																			
	Employee related costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Contracted Services	22,525	34,660	18,988	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other Expenditure	-	4	30	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67
9	Total Repairs and Maintenance Expenditure	22,525	34,664	18,997	236	236	236	236	236	236	236	236	236	236	236	236	236	236	236	236
9																				

Table 53 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

KZN222 uMngeni) - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)																	
Description	Ref	Vote 1 - Executive and Council	Vote 2 - Finance	Vote 3 - Corporate Services	Vote 4 - Planning Services	Vote 5 - Community Services	Vote 6 - Technical Services	Vote 7 - (NAME OF VOTE 7)	Vote 8 - (NAME OF VOTE 8)	Vote 9 - (NAME OF VOTE 9)	Vote 10 - (NAME OF VOTE 10)	Vote 11 - (NAME OF VOTE 11)	Vote 12 - (NAME OF VOTE 12)	Vote 13 - (NAME OF VOTE 13)	Vote 14 - (NAME OF VOTE 14)	Vote 15 - (NAME OF VOTE 15)	Total
Revenue By Source	1																
Property rates		216,897	-	-	-	-	-	-	-	-	-	-	-	-	-	-	216,897
Service charges - electricity revenue		-	-	-	-	-	106,251	-	-	-	-	-	-	-	-	-	106,251
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	1,203	-	-	-	-	-	-	-	-	-	-	-	-	1,203
Interest earned - external investments		-	2,202	-	-	-	-	-	-	-	-	-	-	-	-	-	2,202
Interest earned - outstanding debtors		11,467	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,467
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	23	-	-	-	-	-	-	-	-	-	-	23
Licences and permits		-	-	-	12	5,076	-	-	-	-	-	-	-	-	-	-	5,087
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		278	769	240	5,705	13	241	-	-	-	-	-	-	-	-	-	7,245
Transfers and subsidies		55,017	1,700	-	-	4,874	28,404	-	-	-	-	-	-	-	-	-	96,075
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (including capital transfers and contributions)		263,659	4,671	1,443	5,716	9,948	142,191	-	-	-	-	-	-	-	-	-	447,668
Expenditure By Type																	
Employee related costs		16,421	21,346	16,070	14,226	35,871	23,655	-	-	-	-	-	-	-	-	-	134,389
Remuneration of councillors		9,992	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,992
Debt impairment		-	-	-	-	-	775	-	-	-	-	-	-	-	-	-	775
Depreciation & asset impairment		-	35,598	-	-	-	-	-	-	-	-	-	-	-	-	-	35,598
Finance charges		-	11	-	-	-	2,677	-	-	-	-	-	-	-	-	-	2,688
Bank purchases		-	-	-	-	-	120,997	-	-	-	-	-	-	-	-	-	120,997
Other materials		-	12	357	2	229	553	-	-	-	-	-	-	-	-	-	1,178
Contracted services		7,374	2,414	20,228	1,095	4,942	42,077	-	-	-	-	-	-	-	-	-	77,628
Transfers and subsidies		-	-	-	377	-	2,651	-	-	-	-	-	-	-	-	-	3,028
Other expenditure		13,897	6,535	10,273	1,827	2,483	28,489	-	-	-	-	-	-	-	-	-	61,166
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		47,336	64,904	47,328	17,337	43,215	226,058	-	-	-	-	-	-	-	-	-	447,578
Surplus/(Deficit)		236,323	(61,233)	(46,065)	(11,621)	(33,277)	(83,869)	-	-	-	-	-	-	-	-	-	90
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	21,764	-	-	-	-	-	-	-	-	-	21,764
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		236,323	(61,233)	(46,065)	(11,621)	(33,277)	(62,101)	-	-	-	-	-	-	-	-	-	21,853

Table 54 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN222 uMngeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

NZM22 Uningini • Supporting Table SAS supporting detail to Budgeted financial position											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
ASSETS											
Call investment deposits											
Call deposits		4,674	8,305	-	2,228	0	0	-	0	0	-
Other current investments		-	-	-	-	-	-	-	-	-	-
Total Call investment deposits	2	4,674	8,305	-	2,228	0	0	-	0	0	-
Consumer debtors											
Consumer debtors		63,639	92,100	54,368	70,905	70,905	151,275	151,275	107,724	92,843	141,274
Less: Provision for debt impairment		-	-	-	-	-	-	-	(42,980)	(43,792)	(44,643)
Total Consumer debtors	2	63,639	92,100	54,368	70,905	70,905	151,275	151,275	64,744	49,051	96,631
Debt impairment provision											
Balance at the beginning of the year		-	-	-	-	41,485	41,485	-	(42,205)	(42,982)	(43,798)
Contributions to the provision		-	-	-	(741)	741	741	-	(775)	(810)	(847)
Bad debts written off		-	-	-	-	-	-	-	-	-	-
Balance at end of year		-	-	-	(741)	42,205	42,205	-	(42,980)	(43,792)	(44,643)
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		765,221	761,356	1,280,072	766,948	1,650,375	1,650,375	1,301,780	1,684,400	1,710,088	1,737,000
Leases recognised as PPE		-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		-	-	-	-	340,427	340,427	-	375,782	412,824	451,661
Total Property, plant and equipment (PPE)	2	765,221	761,356	1,280,072	766,948	1,318,948	1,318,948	1,301,780	1,308,618	1,297,264	1,285,339
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		4,492	4,737	3,780	3,064	4,127	4,127	2,670	2,822	4,367	6,295
Total Current liabilities - Borrowing		4,492	4,737	3,780	3,064	4,127	4,127	2,670	2,822	4,367	6,295
Trade and other payables											
Trade Payables		46,450	39,647	66,962	15,894	14,095	14,095	20,529	17,696	24,554	22,180
Other Creditors		-	-	-	-	-	-	-	-	-	-
Unspent conditional transfers		-	-	-	-	1,949	1,949	-	1,731	1,501	1,490
VAT		-	-	-	-	3,480	3,480	-	3,480	3,480	3,480
Total Trade and other payables	2	46,450	39,647	66,962	15,894	19,525	19,525	20,529	22,907	29,536	27,150
Non current liabilities - Borrowing											
Borrowing	4	26,977	23,670	16,893	17,106	16,893	16,893	16,893	15,073	10,540	5,613
Finance leases (including PPP asset element)		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing		26,977	23,670	16,893	17,106	16,893	16,893	16,893	15,073	10,540	5,613
Provisions - non-current											
Retirement benefits		-	-	-	-	23,488	23,488	-	23,488	23,488	23,488
List other major provision items		-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-	-
Other		65,400	74,630	71,365	23,340	5,708	5,708	-	5,708	5,708	5,708
Total Provisions - non-current		65,400	74,630	71,365	23,340	26,196	26,196	-	26,196	26,196	26,196
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		745,200	793,099	1,243,471	786,853	1,276,164	1,356,534	1,342,166	1,298,339	1,232,616	1,264,655
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		745,200	793,099	1,243,471	786,853	1,276,164	1,356,534	1,342,166	1,298,339	1,232,616	1,264,655
Surplus/(Deficit)		1,656	(16,136)	(5,040)	32,408	35,366	35,366	54,756	21,853	23,656	24,849
Transfers to/from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	746,857	776,961	1,238,432	819,261	1,311,530	1,391,900	1,396,922	1,291,192	1,256,272	1,289,504
Reserves											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		142,579	-	-	-	-	-	-	-	-	-
Compensation for Occupational Injuries and Disease		-	-	-	-	-	-	-	-	-	-
Employee Benefit Reserve		-	-	-	-	-	-	-	-	-	-
Non-current Provisions Reserve		-	-	-	-	-	-	-	-	-	-
Valuation Reserve		-	-	-	-	-	-	-	-	-	-
Investment in associate account		-	-	-	-	-	-	-	-	-	-
Capitalisation Reserve		-	-	-	-	-	-	-	-	-	-
Equity		-	-	-	-	-	-	-	-	-	-
Non-Controlling Interest		-	-	-	-	-	-	-	-	-	-
Share Premium		-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
Total Reserves	2	142,579	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	888,436	776,961	1,238,432	819,261	1,311,530	1,391,920	1,396,922	1,291,192	1,256,272	1,289,504

Table 55 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

KZN222 uMgungu - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref	Basis of calculation	2001 Census	2007 Survey	2011 Census	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
						Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Demographics												
Population			92,710,000	92,710,000	92,710,000	92,710	92,710	92,710	92,710	92,710	92,710	92,710
Females aged 5 - 14			7,162,000	7,162,000	7,162,000	7,162	7,162	7,162	7,162	7,162	7,162	7,162
Males aged 5 - 14			7,300,000	7,300,000	7,300,000	7,300	7,300	7,300	7,300	7,300	7,300	7,300
Females aged 15 - 34			17,157,000	17,157,000	17,157,000	17,157	17,157	17,157	17,157	17,157	17,157	17,157
Males aged 15 - 34			17,750,000	17,750,000	17,750,000	17,750	17,750	17,750	17,750	17,750	17,750	17,750
Unemployment			9,711	9,711	9,711	9,711	9,711	9,711	9,711	9,711	9,711	9,711
Monthly household income (no. of households)	1, 12											
No income			33,287	33,287	33,287	33,287	33,287	33,287	33,287	33,287	33,287	33,287
R1 - R1 600			12,987	12,987	12,987	12,987	12,987	12,987	12,987	12,987	12,987	12,987
R1 601 - R3 200			8,575	8,575	8,575	8,575	8,575	8,575	8,575	8,575	8,575	8,575
R3 201 - R6 400			4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441
R6 401 - R12 800			4,124	4,124	4,124	4,124	4,124	4,124	4,124	4,124	4,124	4,124
R12 801 - R25 600			3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130
R25 601 - R51 200			1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501
R51 201 - R102 400			481	481	481	481	481	481	481	481	481	481
R102 401 - R204 800			176	176	176	176	176	176	176	176	176	176
R204 801 - R409 600			94	94	94	94	94	94	94	94	94	94
R409 601 - R819 200			-	-	-	-	-	-	-	-	-	-
> R819 200			-	-	-	-	-	-	-	-	-	-
Poverty profiles (no. of households)												
< R2 650 per household per month	13 2		-	-	-	-	-	-	-	-	-	-



MUNICIPAL NOTICE NO

DRAFT TARIFFS: 2020 / 2021 FINANCIAL YEAR

Notice is hereby given in terms of Section 75A (3) (b) of the Local Government: Municipal Systems Act (Act 32 of 2000), that uMngeni Municipal Council by Resolution taken on the resolved to amend the following tariffs as indicated:

1. Refuse Removal Tariffs

- (a) Domestic Consumers Free up to total market value per property of R200 000.
Consumers/Ratepayers with property values in excess of R200 000 will have a monthly charge of R75.37
- (b) Commercial Consumers R140.73 per 120ℓ bin per month
(One collection per week)
- (c) Government Institutions R125.10 per bin 120ℓ per month
(One collection per week)
- (d) Sectional title complexes that collect and transport domestic refuse to the landfill site for disposal must make application in writing to the Municipal Manager in order to qualify for reduced refuse removal tariffs subject to all necessary criteria being met.
- (e) All businesses and owners of properties that are affected by COVID_19 should come forward and fill an application form to be granted an additional rebate of 20% this rebate reprieve shall only be for one month i.e.
 - (i) The account of the customer must be fully paid.
 - (ii) The Municipality will reverse the interest only if the account of the customer is up to date or owes zero amount on the rates.

The above tariff excludes Vat.

2. Electricity Tariffs

1. Domestic High: Prepaid

Tariff Blocks	Current	Proposed
	c/kWh	c/kWh
Block 1 – (0-50 kWh)	103.39	109.82

May 2020

Block 2 – (51-350kWh)	132.93	141.20
Block 3 – (351– 600kWh)	179.59	190.76
Block 4 – (>600 kWh)	211.95	225.14

2. Domestic Low Indigent: Prepaid

Tariff Blocks	Current	Proposed
	c/kWh	c/kWh
BLOCK 1 – (0-50 kWh)	103.39	109.82
Block 2 – (51-350kWh)	132.93	141.20
Block 3 – (351–600kWh)	179.59	190.76

Any domestic consumer in excess of 60 amps will attract the charge of R34.14 per amp per month

These tariffs are applicable in respect of all accounts rendered from 1 July 2020 irrespective of when meter readings were taken

3. Domestic High: Conventional 60A

Tariff Blocks	Current	Proposed
	c/kWh	c/kWh
Block 1 – (0 - 50 kWh)	103.39	109.82
Block 2 – (51 – 350 kWh)	132.93	141.20
Block 3 – (351 -600 kWh)	187.07	198.71
Block 4 – (> 600 kWh)	220.31	234.02
Basic Charge	159.52	169.45

4. Domestic High: Conventional Single Phase 80A

Tariff Blocks	Current	Proposed
	c/kWh	c/kWh
Block 1 – (0 - 50 kWh)	103.39	109.82
Block 2 – (51 – 350 kWh)	132.93	141.20
Block 3 – (351 -600 kWh)	187.07	198.71
Block 4 – (> 600 kWh)	220.31	234.02
Basic Charge	199.40	211.81

5. Domestic High: Conventional Three Phase 80A

Tariff Blocks	Current	Proposed
	c/kWh	c/kWh
Block 1 – (0 - 50 kWh)	103.39	109.82
Block 2 – (51 – 350 kWh)	132.93	141.20
Block 3 – (351 -600 kWh)	187.07	198.71
Block 4 – (> 600 kWh)	220.31	234.02
Basic Charge	396.38	421.04

COMMERCIAL TARIFFS

May 2020

1. Commercial Prepaid

Tariff Charge	Current	PROPOSED
	c/kWh	c/kWh
Energy	221.55	235.33

2. Commercial Conventional: Business & General (Single Phase)

Tariff Charge	Current	PROPOSED
	c/kWh	c/kWh
Energy	177.52	188.57
Basic Charge	391.84	416.22

3. Commercial Conventional: Business & General (Three Phase)

Tariff Charge	Current	PROPOSED
	c/kWh	c/kWh
Energy	177.52	188.57
Basic Charge	30.25 per amp	32.14 per amp

4. Industrial Low (Large Power Users)

Seasonal Industrial Low (kVA > 100)	Current	Proposed
	R/month	R/month
Basic Charge	2261.40	2402.06

Demand Charge Low Season

Tariff Charge	Current	Proposed
	R/kVA/month	R/kVA/month
Notified demand	152.64	162.14
Actual Demand	14.81	15.74

Demand Charge High Season

Tariff Charge	Current	Proposed
	R/kVA/month	R/kVA/month
Notified demand	202.62	215.23
Actual Demand	16.06	17.06

Energy Charge

Tariff Charge	Current	Proposed
	c/kWh	c/kWh
Low Season	114.20	121.31
High Season	148.12	157.34

3. Deposits

May 2020

- (a) Domestic Consumers:
Electricity R2318.07
- (b) All Other Consumers:
Electricity: Minimum deposit of R 8182.62 but will be
Based on 2 months consumption.
- (c) The municipality doesn't accept Bank Guarantee Cheque's but only accept cash or cheque deposited to municipal bank account.
- (d) The Average of three month consumptions will apply to all (LPU) Customers

4. Final Meter Reading Fees

- (a) Domestic Consumers: R 132.95 per reading on request
- (b) All Other Consumers : R 258.48 per reading

5. Testing of Meters

- (a) Domestic meters: R 1 829.48 per meter
- (b) Commercial meters: R 2875.69 per meter

The above tariff excludes Vat.

ELECTRICITY - STANDARD CONNECTIONS

Electricity:	(Conventional & Prepaid)	R9219.59 per connection.
Electricity:	(Conversion to Pre-paid)	R 960.05 per connection
(The standard conversion tariff applies to indigent applicants only and the application must Be made for a 20 amp circuit breaker or lower)		
Domestic Circuit Breaker upgrades		R1772.41 per change
Any other Circuit Breaker upgrades are at cost plus 10 %		

ELECTRICITY - OTHER CONNECTIONS

All other electricity connections, beyond the above standard connection are at cost + 20%.

Conversion from conventional to prepaid above 20 amps is at cost + 20%.

All new electricity, water and sewerage connections are made to the boundary of the property and not the dwelling, depending on the technical considerations.

The above tariff excludes Vat.

8. Disconnection/Reconnection and Tamper Fees

Electricity: Disconnection/Reconnection fee	R 571.29
Electricity:	
1 st Offence	R3692.51
2 nd Offence	R5169.52
3 rd Offence	Prosecution.

The above tariff excludes Vat.

9. Library Membership Fees

Adults	R135.59 per annum
Children (under 18)	R85.48 per annum

The above tariff excludes Vat.

10. Clearance Certificates and Property Valuation Certificates & Objections

- (a) Issuing of Clearance Certificates Manual R577, 00 per certificate.
Issuing of Clearance Certificates Electronic R 420, 00 per certificate
- (a) Issuing of Property Valuation Certificates R 147,00 per certificate
- (c) Lodging of Objections: R357.68 per objection for Residential and Non-Residential Properties
R715.36 per objection for Agricultural Properties
Refundable if objection is upheld
- (d) Lodging of Appeals: R894.20 per appeal for all properties. Refundable if the appeal is upheld by the Valuations Appeals Board

The above tariff excludes Vat.

11. Building Plan Fees

Minor Works and Internal	R207.98
Alterations not affecting the floor area.	
New Buildings, erection or additions:	
(a) For first 20m ²	R 134.50
(b) For 21m ² - 50 ²	R224.61
(c) For 51m ² - 90m ²	R332.77
(d) For 91m ² and above.	R 1497.47 per 10m ² or part thereof save for a 50% reduction on bone fide

		farming structures utilized for farming purposes in excess 91m ² .	
(e)	Approval in principle	30% of Building Plan Fee.	
(f)	Swimming Pools	R305.04	
(g)	Drainage charge	R305.04	
(h)	Petrol, Diesel & Gas	R318.90	
(i)	Temporary Buildings	R220.46 for each 50m ² or part thereof.	
(j)	Pre-cast Concrete Boundary walls not adjacent to a road boundary but exceeding 1,8 meters in height shall require the submission of an application with sketch plan.	R 205.75	
(k)	Pre-cast Concrete Boundary walls adjacent to a road exceeding fence – Minimum 1,5 meters in height are subject to the submission of application forms and building plans.	1/2% of the Value of the R149.74	
(l)	Hoarding Fees: Deposit per frontage of 10m ² or part thereof	R2842.39	
	Rental per frontage of 10m ² or part thereof	R 131.73	
(m)	Encroachments Balconies not used for living purposes or business purposes.	R 95.68 per 10m ² or part thereof.	
	Balconies 75% enclosed and attached to business premises and not used or part thereof For business purposes.	R231.55 per 10m ²	
	Balconies used for licensed business purposes.	R1011.89 per 10m ² or part thereof.	
	Verandah's	R 98.44 per annum	

Servitudes and Reserves

R156.67 per annum per 10m or part thereof.

12. Town Planning Fees

(a) Issuing of Zoning Certificate	R 200.00
(b) Subdivision	
- (1-5 Subs)	R 8600.00
- (6-10 Subs)	R 10300.00
- (Above 10 Subs)	R 11700.00
(c) Consolidation	
- (1-5 Subs)	R 8600.00
- (6-10 Subs)	R 10300.00
- (Above 10 Subs)	R 11700.00
(d) Special Consent	
- Self contained unit with advertising	R 6600.00
- Self contained unit without advertising	R 2000.00
- Other Applications	R 6900.00
(e) Rezoning	
- less than 1 ha	R 6700.00
- 1 ha but less than 5 ha	R 7500.00
- 5 ha but less than 10 ha	R 8700.00
- 10 ha and above	R 10600.00
(f) Extension of Scheme	R 6700.00
Development outside Scheme	
- 1 ha to 5 ha	R 7500.00
- 6 ha to 10 ha	R 8700.00
- 10 ha and above	R 10600.00
(g) Alteration, Suspension and Removal of restrictive	
Conditions of title or conditions of establishment	R 6500.00
(h) Closure of Roads/Open Spaces	R 7300.00
(i) Amend, Phasing, or Cancellation of layouts	R 6800.00

- (j) Extension of scheme R 6800.00
- (i) Appeal in all planning application's charge fee will be the same charge fee will be the same as the original application fee as the original application fee
- (k) Combined application
- Rezoning / subdivisions/ Consolidation/ concerned R12700.00
- (l) Enforcement
- (h) Other Fines:
- Fines as per section 87 and 89 of uMngeni Special Planning and land use Management bylaws As per court order
 - Section 89 Civil Penalties 10 – 100% of value of illegal building Construction etc.

The above tariff excludes Vat.

13. Photocopies/Plotting Charges:

Copies made by scholars	R 1,10
A4 Photocopy per page	R 1,70
A3 Photocopy per page	R 2,90
A1 G.I.S. print per page	R 5.80
A4 Plotting costs	R 12.80
A3 Plotting costs	R 41.90
A2 Plotting costs	R 63.40
A1 Plotting costs	R 112.50
A0 Plotting costs	R 228.90
AO+Plotting costs	R 245.60
CD Plotting costs	R 93.00
Digital Copies	R 53.40

Wide format Photocopying/plotting Charges

A0 size	R44.50
A1 size	R33.40
A2 size	R18.40
A3 size	R3.50
CD Plotting	R73.50

The above tariff excludes Vat

14. Landfill Site Tariffs

1. The tariff for the disposal of refuse at the Curry's Post Landfill Site;-
 - a) General domestic refuse, inert trade refuse, per 250kg or part thereof. R52.13
 - b) Mixed refuse (garden, domestic, trade refuse, including builder's rubble) R52.13
per 250kg or part thereof.
 - c) Industrial sludges, subject to agreement and approval by the Landfill R224.77
Manager per 250kg or part thereof.
 - d) Builder's rubble and excavated material per 250kg or part thereof; R17.01
 - e) Bulk food waste and condemned food per 250kg or part thereof; R48.63
 - f) Garden refuse, per 250kg or part thereof; R17.01
 - g) Finely divided excavated material with the maximum stone content of 10% R7.83
And maximum stone size of 100mm per 250kg or part thereof;
 - h) Sawdust and wood waste, per 250kg or part thereof; R79.42
- Provided that no charge shall be payable for the disposal of :-
 - i. Garden refuse by bona fide households where such refuse is conveyed R0.00
Motor cars, trailers with a normal capacity not greater than 0.5 tonne and
Light delivery vehicles with a normal capacity not greater than 1 tonne and
Deposited in the garden refuse containers.
 - ii. Builder's rubble by bona fide householders and casual builders where such R0.00
Rubble is conveyed in vehicles with a nominal capacity not greater than 1
Tonne and deposited in the demarcated area on the Landfill site.
 - iii. Garden refuse by bona fide householders where such refuse is conveyed R0.00
In vehicles with a normal capacity not greater than 1 tonne and deposited
In the demarcated area on the Landfill site.
 - iv. Soil, ash and sand which the Landfill Site Manager has agreed in advance R0.00
Is suitable cover material, delivered in trucks of minimum 5 tonne capacity
2. Tariff for the voluntary weighing of vehicles (per vehicle). R43.03
3. That parking of a vehicle, trailer or container be not more than 8 hours at the R478.76
Curry's Post Landfill Site, or on the road reserve adjacent to the site for each 8
Hour period (per unit).

4. Building Rubble: deposit payable when submitting a building plan for approval R1602.98
And refundable upon proof of disposal on the Landfill site.
5. Illegal dumping: a collection and disposal fee per 1.75m³ container load for R1582.32
Refuse or rubble dumped on a road verge in front or next to a property.
6. Florescent tubes – complete tubes to be deposited in specialised containers R103.21
Located in the recycling area. Per 250kg or part thereof.

Building Plans & Signs Tariffs

TARIFFS 2020

Commercial Posters	Amount
1 x Stickers	R20 per post +R55.02 admin fee
13 x Stickers	R15 per post +R55.02 admin fee
10 x stickers	R15 per post +R55.02 admin fee
Awareness Posters	
Up to 1 x Posters	R14.00 +R55.02 admin fee
Route Markers x1	R13.00 +R55.02 admin fee
Election Posters x1	
NPO bodies with no Commercial Content/ logo & Subject to the submission of the NPO Certificate.	R13.00 for x1 poster
Flags & Banners – Special Events	R182 per banner +R165.06 admin fee
Advertising Trailer	R13 800 per annum
Trailer Daily rate	R1204
Estate Agents Pointer Boards	R13800 pa +R165.06 admin fee
Details	Tariff fees
Onsite Advertising	
Less than 2m ²	R170
No illuminated	R49 per m ²

MEDIA	
Head cover per sign	R5 per day including weekends

<u>SERVICE STATION & RETAIL SHOPS</u>	
Petrol station	R1810 per annum +R55.02 admin fee
Banners for advertising	R74 per banner +R33.01 admin fee

15. Hall Hire Charges:

HOWICK WEST HALL

1. Profit-making / commercial functions such as Banquet, Theatre and the likes:

	TARIFFS
(a) MAIN HALL Charge per 5 hour session:	R 2800
Deposit:	R 2800
TOTAL	R5600

	TARIFFS
(b) Side Hall Charge per 5 hour session:	R 1460.00
Deposit:	R 2100.00
TOTAL	R 3560.00

	TARIFFS
© Main and Side Hall Charge per 5 hour session:	R 2800.00

Deposit:	R 2800.00
TOTAL:	R 5600.00

2. For activities relating to Elections:

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 2800.00
Deposit:	R 2800.00
TOTAL:	R 5600.00

	TARIFFS
(b) Side Hall Charge per 5 hour session:	R 1460
Deposit:	R 2100.00
TOTAL	R3560.00
	TARIFFS
(c) Main and Side Hall Charge per 5 hour session:	R 2800.00
Deposit:	R 2800.00
TOTAL:	R 5600.00

3. Fundraising, sporting, religious, political and cultural, and education functions:
Preparation Time R500 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 1460.00

Deposit:	R 1460.00
TOTAL:	R 2920.00

	TARIFFS
(b) Side Hall Charge per hour session:	R 890.00
Deposit:	R 890.00
TOTAL:	R 1780.00

	TARIFFS
(c) Main and Side Hall Charge per 5 hour session:	R 2100.00
Deposit:	R 2100.00
TOTAL:	R 4200.00

**4. Social functions such as Weddings, Receptions, Parties, Choir performance and the likes:
Preparation Time R500 per session**

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 2100.00
Deposit:	R 2100.00
TOTAL:	R 4200.00

	TARIFFS
(b) Side Hall Charge per 5 hour session:	R 1570.00
Deposit:	R 2000.00
TOTAL	R 3570.00

	TARIFFS
(c) Main and Side Hall Charge per 5 hour session:	R 2300.00
Deposit:	R 2300.00
TOTAL:	R 4600.00

HILTON HALL

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:
Preparation time R310.84 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 2300.00
Deposit:	R 2300.00
TOTAL:	R 4600.00

	TARIFFS
(b) Verandah only Charge per 5 hour session:	R 1570.00
Deposit:	R 2300.00
TOTAL	R 3870.00

	TARIFFS
(c) Main Hall and Verandah Charge per 5 hour session	R 1570.00
Deposit:	R 2300.00
TOTAL:	R 3870.00

2. For activities relating to Elections:

	TARIFFS
(a) Main Hall	R 2100.00
Charge per 5 hour session:	R 2100.00
Deposit:	
TOTAL:	R 4200.00

	TARIFFS
(a) Verandah only	R1570.00
Charge per 5 hour session:	
Deposit:	R 2300.00
TOTAL:	R3870.00

	TARIFFS
© Main Hall and Verandah	R 3100.00
Charge per 5 hour session:	
Deposit:	R 3100.00
TOTAL:	R 6200.00

3. Fundraising, sporting, religious, political and cultural, and education functions:
Preparations time R391.29 per session

	TARIFFS
(a) Main Hall	R840.00
Charge per 5 hour session:	
Deposit:	R840.00
TOTAL:	R 1680.00

	TARIFFS
(b) Verandah only Charge per 5 hour session:	R840.00
Deposit:	R840.00
TOTAL:	R 1680.00

	TARIFFS
(c) Main Hall and Verandah Charge per 5 hour session:	R 1570.00
Deposit:	R 1570.00
TOTAL:	R 3140.00

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R 248.67 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 2100.00
Deposit:	R 2100.00
TOTAL:	R 4200.00

	TARIFFS
(b) Verandah only Charge per 5 hour session:	R 890.00
Deposit:	R 2100.00
TOTAL:	R 2990.00

	TARIFFS
--	---------

(c) Main Hall and Verandah	R 2100.00
Charge per 5 hour session:	
Deposit:	R 2100.00
TOTAL:	R 4200.00

MPOPHOMENI HALL AND YOUTH THEATRE

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
(a) Main Hall Charge per hour session:	R 1570.00
Deposit:	R 1570.00
TOTAL:	R3140.00

2. For activities relating to elections:

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 1570.00
Deposit:	R 1570.00
TOTAL:	R3140.00

3. Fundraising, sporting, religious, political and cultural, and educational functions:

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 890.00

Deposit:	R 1570.00
TOTAL:	R2460.00

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R248.68 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 1570.00
Deposit:	R 1570.00
TOTAL:	R 3140.00

HOWICK SOUTH HALL

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
(b) Main Hall Charge per 5 hour session:	R 890.00
Deposit:	R890.00
TOTAL:	R 1780.00

2. For activities relating to Elections:
Preparation time R124.34 per session

	PROPOSED TARIFFS
(a) Main Hall Charge per 5 hour session:	R 780.00
Deposit:	R 78000
TOTAL:	R 1560.00

3. Fundraising, sporting, religious, political and cultural, and educational functions:

Preparation time R124.69 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 780.00
Deposit:	R 780.00
TOTAL:	R1560.00

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R248.68 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 780.00
Deposit:	R 780.00
TOTAL:	R1560.00

KWA-MEVANA HALL

5. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
(b) Main Hall Charge per hour session:	R 1570.00
Deposit:	R 1570.00
TOTAL:	R 3140.00

6. For activities relating to elections:

	TARIFFS
(b) Main Hall Charge per 5 hour session:	R 1570.00

Deposit:	R 1570.00
TOTAL:	R 3140.00

7. Fundraising, sporting, religious, political and cultural, and educational functions:

	TARIFFS
(b) Main Hall Charge per 5 hour session	R 890.00
Deposit:	R 1570.00
TOTAL:	R 2460.00

8. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R311.40 per session

	TARIFFS
(c) Main Hall Charge per 5 hour session:	R 1570.00
Deposit:	R 1570.00
TOTAL:	R 3140.00

LIDGETON HALL

9. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
(c) Main Hall Charge per hour session:	R 1570.00
Deposit:	R 1570.00
TOTAL:	R 3140.00

10. For activities relating to elections:

	TARIFFS
(c) Main Hall Charge per 5 hour session:	R 1570.00
Deposit:	R 1570.00
TOTAL:	R 3140.00

11. Fundraising, sporting, religious, political and cultural, and educational functions:

	TARIFFS
(d) Main Hall Charge per 5 hour session	R 890.00
Deposit:	R 1570.00
TOTAL:	R 2460.00

12. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R310.85 per session

	TARIFFS
(d) Main Hall Charge per 5 hour session:	R 1570.00
Deposit:	R 1570.00
TOTAL:	R 3140.00

13. Fees for the use of the Dorris Robbins Room at the Howick Library:

- | | |
|---|----------------------|
| (a) Promotion of culture i.e. Book discussions, art evaluation or educational instruction | Free |
| (b) Religious services and charitable institutions | R 277.29 per session |
| (c) Commercial undertakings | R 509.06 per session |

These fees are per session. Morning session 8am to 12 noon and afternoon session 1pm to 5 pm

NOTE: (i) Functions of Provincial and National acclaimed artists are NOT covered on these tariffs as written requests will have to be made to the Municipality.

- (ii) A cancellation fee of 15% of the hire charge will be applicable should the booking be cancelled one month before the event. Should a request for cancellation be received at any time 2 weeks prior to the date of the event, the hire charge or deposit will be forfeited.

16. Animal Pound Charges

- | | |
|---|---|
| (a) Transport of animal by LDV or Truck | - R7.70 per Kilometer per animal |
| (b) Veterinary Services rendered | - Cost plus 10% |
| (c) Pound Fees/Holding Fees | - Large Animals e.g. Cattle R124.79 per day |
| | - Small Animals e.g. Sheep R83.19 per day |
| (d) Administration Fee | - R235.43 per animal |

17. uMngeni Municipality Sports Complex

Field 1

<u>Ad-hoc day Activities</u>	Deposit	=	R2223.44
	Charge	=	R 346.63
<u>Ad-hoc Night Activities</u>	Deposit	=	R 2223.44
	Charge	=	R 554.61 /hr
<u>Season Bookings Day</u>	Deposit	=	R 3610.23
	Charge p/day	=	R 124.79
<u>Season Booking Night</u>	Deposit	=	R3610.23 /Season
	Charge p/night	=	R304.77 /hr

2. Field 2

<u>Ad – hoc Day</u>	Deposit	=	R2223.68
	Charge	=	R124.79
<u>Ad-hoc Night</u>	Deposit	=	R2223.68
	Charge	=	R 124.79/hr
<u>Season Booking Day</u>	Deposit	=	R 3610.23

/Season

	Charge	=	R 69.32/Day
<u>Season Booking Night</u>	Deposit	=	R 3610.23 /Season
	Charge	=	R 97.07 /hr

3. Indoor Centre

<u>Ad-hoc (Lights Day & Night)</u>	Deposit	=	R 2223.68
	Charge	=	R 222.36/hr
<u>Season Booking</u>	Deposit	=	R 3610.23
	Charge	=	R 222.36hr

4. Bar and Restaurant

Electricity	=	As metered
Water	=	As metered
Lease	=	As per Bid
Deposit	=	R 11785.57 /year
Maintenance	=	Clean entire grand stand facility
Admin responsibility	=	Report to Municipality on users monthly

5. Gym

Electricity	=	As metered
Water	=	As metered
Lease	=	As per Bid
Deposit	=	R 11785.57 /year
Maintenance	=	Clean entire Indoor Centre
Admin Responsibilities	=	Report to Municipality on users monthly

18. Ranking and Transport Permit Fees

1.1 Minibus Taxi

R 331.31 per annum plus R61.35 Application fee non refundable

1.2 Buses (GVM greater than 3500kg)

May 2020

R184.05 per annum plus R61.35 application non refundable

1.3 Metered Taxi (Less than 5 seats)

R184.05 per annum plus R61.35 application fee non refundable

1.4 Tour and Transport Vehicles

R306.77 per annum plus R61.35 application fee non refundable

1.5 Scholar Transport Vehicles

R 306.77 per annum plus R61.35 application non refundable

1.6 Lost and Renewal

50% of initial fee plus R61.35 application fee non refundable

1.7 Replacement permit R368.11

19. Cemetery Tariffs

Resident

- i. Opening Grave for exhumation R1051.03 (incl 15% VAT)
- ii. Internment of ashes R1051.03 (incl. 15% VAT)
- iii. Opening of single grave for internment:
 - a. to depth of 1,85m (adult/child under 12months, incl. stillborn)R999.08 (incl 15% VAT)
 - iv. b.to depth of more than 1,85m, for each additional 300mm R96.06 (incl 15% VAT)
- v. Purchase of single grave plots in perpetuity/reserved R2113.05(incl 15% VAT)
- vi. Permission to erect memorial R192.10 (incl. 15% VAT)
- vii. An additional R216.39 (incl 15% VAT) is payable for burials taking place between 16h00 on one day through to 9h00 the following day over weekends and holidays.

All charges are payable in advance.

Non-Resident

(As per numbering above - all tariffs incl of 15% VAT).

- I. R1610.98
- II. R1610.98
- III. R1610.98
- IV. R96.06
- V. R2305.15
- VI. R384.19

This should apply to all Cemeteries: Valley of Rest, Lions River, Currys Post, Mpophomeni, Hilton Garden of Remembrance, Miller Street - memorial wall only as all other reserved graves have been paid for and there are no other burial sites, similarly for Prospect Road Cemetery.

Interest on all arrear accounts will be charged at the rate of 1% per month and any part of a month shall be considered as a full month.

The date on which this notice will be first displayed on the municipal notice board is 01 July 2020.

These tariffs will come into operation on 1 July 2020.

Ms T. CIBANE

Municipal Manager

P O Box 5

HOWICK

3290



ASSESSMENT OF GENERAL RATES FOR 2020/ 2021

MUNICIPAL NOTICE NO:

ASSESSMENT OF GENERAL RATES FOR 2020/ 2021

Notice is hereby given in terms of Section 14 of the Local Government: Municipal Property Rates Act No 6 of 2004, that by Resolution taken the Council of uMngeni Municipality has resolved to determine the rates payable on all ratable property within the area of uMngeni Municipality for the financial year 1 July 2020 to 30 June 2021 at 1.65 cents in the rand on the market value of the property as stated in the valuation roll.

All rebates and exemptions are contained in the Rates Policy and may in certain instances be applied to the rate as assessed above.

General:

1. Rates will be payable monthly in twelve (12) equal installments with the first installment payable on 31 July 2020 and the last installment payable on the 30 June 2021.
2. The date on which the determination of rates came into operation is 01 July 2020.
3. Any rates remaining unpaid for a period longer than 3 months will be subject to legal action to be instituted to recover the arrear amount.
4. Any rates that are not paid on the due date will be subject to interest at the rate of 1% per month or part thereof.
5. The date on which the notice was first displayed on the Municipal Notice Board is 01 July 2020.
6. This notice is also available on uMngeni Municipality's website www.umngeni.gov.za
7. Pensioner and disability rebate will be granted to qualifying persons whose income doesn't exceed R 11 500.00 per month.
8. The municipality will grant 1.5% discount on early payment to all customers
9. A collection of 10% will be raised on the amount outstanding on 28 February 2021.

Ms T. CIBANE
MUNICIPAL MANAGER
PO BOX 5
HOWICK
3290



Municipal Manager's Quality Certificate

PO Box 5
3290
Howick, South Africa

Tel: +27 (33) 239 9200
Fax: +27 (33) 330 4183
Email: manager@umngeni.gov.za
Website: www.umngeni.gov.za

OFFICE OF THE MUNICIPAL MANAGER

Quality Certificate

I, Ms. Thembeke Cibane, Municipal Manager of uMngeni Municipality, hereby certify that the draft annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

PRINT NAME

THEMBEKA CIBANE

MUNICIPAL MANAGER OF

UMNGENI MUNICIPALITY (KZN222)

SIGNATURE

DATE

29 MAY 2020



uMngeni Municipality

PO Box 5
3290
Howick, South Africa

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Our Ref.:
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Date:

Office of the Municipal Manager

SPECIAL COUNCIL VIRTUAL MEETING HELD ON FRIDAY 29 MAY 2020 AT 09:34am IN UMNGENI MUNICIPALITY

C.05.20.42 TABLING OF 2020/21, 2021/22 AND 2022/23 DRAFT BUDGET

On a proposal moved by the Councillor NE Ngongo seconded by, Councillor QSB Buthelezi, it was

RESOLVED

1. That Council adopts the draft budget for 2020/21, 2021/22 and 2022/23 which has been tabled by the Mayor.

Certified true extract of the minutes of the meeting.

Signed
Ms T Cibane
Municipal Manager